

NATIONAL VACCINE INFORMATION CENTER

STERLING, VA

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AUDIT REPORT

FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012

**KENDALL, PREBOLA AND JONES**

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**Kendall, Prebola and Jones, LLC**  
Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

***Report on the Financial Statements***

We have audited the accompanying financial statements of the National Vaccine Information Center (a nonprofit organization) which comprise the comparative statements of financial position as of August 31, 2013 and 2012, and the related comparative 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 of 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.

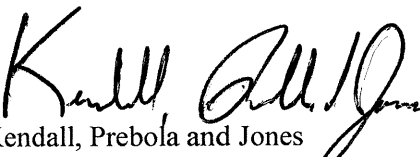
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental 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, 2014

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF FINANCIAL POSITION  
AUGUST 31, 2013 AND 2012

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 285,511	\$ 316,211
Certificates of Deposit	502,260	250,000
Accounts Receivable	222	278
Promises Receivable	44,270	48,525
Prepaid Expenses	<u>8,671</u>	<u>5,227</u>
Total Current Assets	<u>\$ 840,934</u>	<u>\$ 620,241</u>
<u>Fixed Assets:</u>		
Furniture and Equipment	\$ 55,102	\$ 35,818
Leasehold Improvements	3,885	-
Less: Accumulated Depreciation and Amortization	<u>(32,743)</u>	<u>(25,750)</u>
Total Fixed Assets	<u>\$ 26,244</u>	<u>\$ 10,068</u>
<u>Other Assets:</u>		
Security Deposits	<u>\$ 2,291</u>	<u>\$ -</u>
Total Other Assets	<u>\$ 2,291</u>	<u>\$ -</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 869,469</b></u>	<u><b>\$ 630,309</b></u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 7,478	\$ 10,584
Accrued Wages	<u>1,901</u>	<u>-</u>
Total Current Liabilities	<u>\$ 9,379</u>	<u>\$ 10,584</u>
<u>Long-Term Liabilities:</u>		
Deferred Rent Abatement	<u>\$ 4,752</u>	<u>\$ -</u>
Total Long-Term Liabilities	<u>\$ 4,752</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 14,131</u>	<u>\$ 10,584</u>
<u>Net Assets:</u>		
Unrestricted	\$ 766,403	\$ 534,315
Board Designated	799	774
Temporarily Restricted	<u>88,136</u>	<u>84,636</u>
Total Net Assets	<u>\$ 855,338</u>	<u>\$ 619,725</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 869,469</b></u>	<u><b>\$ 630,309</b></u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012

	August 31, 2013			August 31, 2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<u>Revenues and Other Support:</u>						
Contributions and Grants - Foundations	\$ 427,075	\$ 108,500	\$ 535,575	\$ 327,430	\$ 194,483	\$ 521,913
Contributions and Grants - Other	249,310	-	249,310	291,353	200	291,553
Donated Assets and Services	166,426	-	166,426	191,785	-	191,785
Interest Income	2,463	-	2,463	113	-	113
Gain/(Loss) on Disposal of Fixed Assets	(340)	-	(340)	-	-	-
Net Assets Released from Restrictions						
Satisfaction of Program Restrictions	105,000	(105,000)	-	196,858	(196,858)	-
 Total Revenues and Other Support	 \$ 949,934	 \$ 3,500	 \$ 953,434	 \$ 1,007,539	 \$ (2,175)	 \$ 1,005,364
<u>Expenses:</u>						
Educational	\$ 478,509	\$ -	\$ 478,509	\$ 545,019	\$ -	\$ 545,019
Advocacy	66,027	-	66,027	56,173	-	56,173
Lobbying	13,972	-	13,972	9,938	-	9,938
Support	74,783	-	74,783	60,941	-	60,941
Research	22,746	-	22,746	108,927	-	108,927
Fundraising	27,647	-	27,647	26,018	-	26,018
General and Administrative	34,137	-	34,137	35,658	-	35,658
 Total Expenses	 \$ 717,821	 \$ -	 \$ 717,821	 \$ 842,674	 \$ -	 \$ 842,674
 Changes in Net Assets	 \$ 232,113	 \$ 3,500	 \$ 235,613	 \$ 164,865	 \$ (2,175)	 \$ 162,690
 Net Assets, Beginning of Period	 535,089	 84,636	 619,725	 370,224	 86,811	 457,035
 Net Assets, End of Period	 \$ 767,202	 \$ 88,136	 \$ 855,338	 \$ 535,089	 \$ 84,636	 \$ 619,725

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
COMPARATIVE STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
<u>Cash Flows from Operating Activities:</u>		
Changes in Net Assets	\$ 235,613	\$ 162,690
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows Provided by Operating Activities:		
Depreciation and Amortization Expense	8,598	8,945
Loss on Disposal of Fixed Assets	340	-
Accounts Receivable - (Increase)/Decrease	56	767
Promises Receivable - (Increase)/Decrease	4,255	(27,971)
Prepaid Expenses - (Increase)/Decrease	(3,444)	9,831
Security Deposit - (Increase)/Decrease	(2,291)	-
Accounts Payable - (Decrease)/Increase	(3,106)	6,022
Accrued Wages - (Decrease)/Increase	1,901	-
Deferred Rent Abatement - (Decrease)/Increase	<u>4,752</u>	<u>-</u>
Net Cash Flows Provided by Operating Activities	<u>\$ 246,674</u>	<u>\$ 160,284</u>
<u>Cash Flows from Investing Activities:</u>		
Acquisition of Fixed Assets	\$ (26,477)	\$ (3,985)
Proceeds on Sale of Fixed Assets	1,363	-
Purchase of Certificates of Deposit	<u>(252,260)</u>	<u>(250,000)</u>
Net Cash Flows from Investing Activities	<u>\$ (277,374)</u>	<u>\$ (253,985)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ (30,700)	\$ (93,701)
Cash and Cash Equivalents, Beginning of Period	<u>316,211</u>	<u>409,912</u>
Cash and Cash Equivalents, End of Period	<u>\$ 285,511</u>	<u>\$ 316,211</u>

Supplemental Disclosures:

a) There was no cash paid for interest or income taxes during the years ended August 31, 2013 and 2012.

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION:

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

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Accounting Method:

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

(b) Revenue Recognition:

**Contributions -**

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

All contributions are available for unrestricted use unless specifically restricted by the donor. Contributions and promises to give with donor-imposed conditions are recognized as unrestricted support when the conditions on which they depend are substantially met.

Contributions and promises to give with donor-imposed restrictions are reported as temporarily restricted support. Unconditional promises to give due in the next year are recorded at their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be receivable.



NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(b) Revenue Recognition: (Continued)

**Contributions - (Continued)**

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restriction, if any, on the contribution. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history and type of contribution.

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

(c) Corporate Taxes:

The National Vaccine Information Center is exempt from federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. Accordingly, no income taxes have been provided for in the accompanying financial statements. In addition, the National Vaccine Information Center is exempt from Virginia sales tax. The National Vaccine Information Center is not a private foundation and contributions to the National Vaccine Information Center qualify as a charitable tax deduction by the contributor.

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

(d) Net Assets:

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

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

Unrestricted Net Assets - Net assets that are not subject to donor-imposed restrictions and over which the Board of Directors has discretionary control. This classification includes net assets subject to donor-imposed conditions which have been met in the current year and net assets subject to donor-imposed restrictions that have been released from restrictions. Board-designated funds included as unrestricted net assets are to be used for research. Board designated funds at August 31, 2013 and 2012 were \$799 and \$774, respectively.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(d) Net Assets: (Continued)

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

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

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Research	\$ 48,136	\$ 44,636
Time Restricted	<u>40,000</u>	<u>40,000</u>
Total Temporarily Restricted Available	<u>\$ 88,136</u>	<u>\$ 84,636</u>

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

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Research	\$ -	\$ 73,875
Public and Media Relations	-	51,519
Vaccine Safety Conference	-	31,464
Time Restricted	80,000	40,000
Nationwide Public Service Billboard	<u>25,000</u>	<u>-</u>
Total Released	<u>\$ 105,000</u>	<u>\$ 196,858</u>

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they 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, 2013 and 2012.

(e) Donated Services and Materials:

Contributions of services are recognized 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. Those services which have been recorded in the financial statements have been recognized at the fair market value at the date of contribution and are included in both revenues and expenses. 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 members of the National Vaccine Information Center's Board of Directors is uncompensated and is not reflected as donated services.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Donated Services and Materials: (Continued)

Following are the donated services and materials that have been recorded in the financial statements:

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Information Technology and Web Hosting	\$ 121,132	\$ 92,495
Investigative Research	37,500	90,000
Graphic Design and Artwork	3,825	9,080
Computer Software	3,619	-
Bookkeeping Services	<u>350</u>	<u>210</u>
Total Donated Services and Materials	<u>\$ 166,426</u>	<u>\$ 191,785</u>

(f) Basic Programs:

I. Public Education Programs

As the founder of the vaccine safety and informed consent movement in the U.S. in 1982 and the oldest and largest consumer-led non-profit charity disseminating vaccine information on the Internet, NVIC has secured an impressive and expanding online web presence during the past two decades. NVIC's online presence was significantly expanded in FYE 2013.

NVIC.org Website

During FYE 2013, NVIC's website at NVIC.org hosted 918,949 visits, which is an increase of 37% from the previous fiscal year. There were nearly 2 million page views for a 27% increase from the previous year.

Although NVIC focuses on producing information about infectious diseases and vaccine science, policy and law related to vaccines licensed and sold in the U.S., NVIC's website is visited by people living in countries around the globe. Most visitors to our website reside in English speaking countries (although NVIC.org has a Google translation feature that allows non-English speaking visitors to access our information).

A significant increase in new visitors (34%) and returning visitors (48%) to NVIC.org was achieved in FYE 2013. Visitors are spending more time on our website than in previous years, indicating that improvements in website content, design and navigation is making our information more easily accessible and attracting and engaging more people.

Information featured on NVIC.org and in the *NVIC Newsletter*, in NVIC Businesswire press releases, NVIC video commentaries and the *Mercola Newsletter* helped to elevate NVIC's Google search presence in FYE 2013.

NVIC's Executive Director manages the website and in FYE 2013 coordinated content and design improvements made to NVIC.org, including:

- Research & Development Search Engine Optimization (SEO) - Keyword research has been conducted and proactively integrated into *NVIC Newsletter* articles and other top level web pages.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. Public Education Programs (Continued)

NVIC.org Website (Continued)

- Real-time Webpage Updating - Updating of pages on state laws, FAQs, media, diseases and vaccines is ongoing;
- Vaccine Ingredient Calculator (VIC) Enhancement - During FYE 2013, approximately 3,100 individual vaccination plans were produced for visitors to the Vaccine Ingredient Calculator (VIC) website, which was created and is operated by the volunteer Director of Database Management. There were about 53,000 unique users of the VIC this fiscal year and the VIC provided information to visitors from 147 nations. Over the past four years, mobile phone traffic to the VIC website has increased from 3 percent to 19% and tablet traffic has increased by 10%.

The VIC Twitter account increased 55% from 1,228 followers in FYE 2012 to 1,900 in FYE 2013. The VIC's custom-designed Tweet Machine produces one tweet per hour, drawing from 715 tweets at random for a total of 8,760 tweets in FYE 2013. The tweets are generating approximately 18,000 click-throughs per year. Due to changes that Twitter has made to their platform, the Tweet Machine was rebuilt and is now cloud-based.

- MedAlerts Enhancement - During FYE 2013, NVIC's volunteer Director of Vaccine Research Analytics, who created and manages the MedAlerts database that facilitates online searches of vaccine reaction reports made to the federal Vaccine Adverse Events Reporting System (VAERS), added new information and database search features. These improvements greatly facilitated the MedAlerts database search capability and led to a 30 percent increase in daily visitors using MedAlerts by the end of FYE 2013.
- NVIC's Vaccine Freedom Wall - Ongoing promotion of NVIC's online Cry for Vaccine Freedom Wall in the *NVIC Newsletter* resulted in more than 150 reports of harassment publicly posted on the Wall during FYE 2013, which is a significant increase from FYE 2012. It is an indication that there are more threats and sanctions being made nationwide by pediatricians, government officials and employers when Americans attempt to make voluntary vaccine choices for themselves or their children.

Online/Printed Brochures

During FYE 2013, information brochures were created or revised and posted on NVIC.org in downloadable form and also were published in printed form for mailing and distribution at conferences and special events. A new brochure on influenza and influenza vaccine was published and major revisions were made to NVIC's brochure on the childhood vaccine schedule to include the full schedule from birth to age 18.

- "Know the Facts to Stay Healthy This Flu Season."
- 49 Doses of 14 Vaccines by Age Six? 69 Doses of 16 Vaccines by Age 8?

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. Public Education Programs (Continued)

NVIC Newsletter

In FYE 2013, the free online *NVIC Newsletter* became a bi-weekly publication and published 24 editions. By the end of FYE 2013, NVIC Newsletter subscribers totaled 43,300. Readership increased by more than 25% during this fiscal year, exceeding readership demographics for most non-profit charities.

Currently, the *NVIC Newsletter* contains commentaries and news summaries and analyses related to developments in vaccine science, policy and law; infectious and chronic diseases; highlights of NVIC programs and services; major Action Alerts related to state vaccine mandate legislation; links to online media reports in which NVIC representatives are quoted or NVIC's name appears; calendars of special NVIC-related events; notifications about and summaries of federal vaccine advisory committee meetings and other timely information for *NVIC Newsletter* subscribers.

During FYE 2013, among breaking news topics featured in the *NVIC Newsletter* were:

- Vaccine Legislation and Your Rights: Is Your State Next?
- IOM Issues Report on Safety of the Child Vaccine Schedule: When Will the Real Science Begin?
- NIH \$1.6 Billion Funding Cut Threat & Vaccine Research
- Effectiveness of Flu Vaccine Raises More Red Flags.
- US Public Health Officials Back Pediatric Anthrax Vaccine Experiment
- CDC Reports 1 in 50 American Children Diagnosed with Autism
- Expert Says Influenza Vaccine Marketing Misrepresents Facts
- The Yearly "Back-to-School Push" to Vaccinate
- CDC Launches Media Campaigns to Increase Vaccine Use

Referenced Video Commentaries - A running feature of the *NVIC Newsletter* are commentaries that are researched, written and referenced by the NVIC's Co-founder and President. Commentaries are accompanied by video tutorials and anchored with references live-linked to original information sources.

These well referenced commentaries, which are archived on NVIC.org and date from 2008, have created a large online library of several thousand easily accessible online references to vaccine-related medical literature, federal health agency documents, federal and state legislation, major media reports and other information. In FYE 2013, commentary topics included:

- Turning Vaccine Exemptions Into Class Warfare
- Influenza Deaths: Hype vs. Evidence
- Under Attack: NVIC Helps Americans Stand Up and Speak Out
- Women, Vaccines & Bodily Integrity
- Desperate Times for Vaccine Risk Denialism
- Witch Hunting Jenny McCarthy for Vaccine Talking

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. Public Education Programs (Continued)

Video Messaging

During FYE 2013, NVIC's Videographer filmed, edited and produced You Tube posted videos for referenced commentaries published in the *NVIC Newsletter* and *Mercola Newsletter*. Visual bullet points to video commentaries that assist viewers in understanding the "take home" message were integrated into videos. TV news reports and state legislative hearings were also downloaded and added to the NVIC video and photo archives or posted on You Tube.

During FYE 2013, NVIC's videos attracted about 100,000 views on You Tube and thousands of more views via the *Mercola Newsletter*.

NVIC Facebook Page

NVIC's Facebook page is managed and actively monitored 12 hours a day by the Director of Operations and is the organization's "daily news" communications outlet, which is attracting a growing fan base of about 100 new fans/followers per day. By the end of FYE 2013, NVIC's Facebook Fan base numbered 59,000, for a net gain of 54% in one year.

This fiscal year, more than 7,000 NVIC-generated comments about breaking vaccine-related news items were posted to the NVIC Facebook page. These comments were talked about or shared by NVIC Facebook fans and friends of fans for a daily reach of 15.6 million people by the end of FYE 2013 - a 35% increase over FYE2012.

NVIC's Facebook page demographics reveal that 80% of NVIC fans are women between the ages of 25 and 44 years old and our Facebook followers reside in 44 different countries.

NVIC Twitter

Twitter followers of the NVIC Twitter social media account increased from 623 in FYE 2012 to 1,025 in FYE 2013 for a 65% increase in our Twitter Fan base. NVIC Tweets by the Director of Operations increased by 13% to 7,650 from 6,764 educational tweets in FYE 2012. This growth represents thousands of retweets that reach millions of followers.

Media and Advertising

During FYE 2013, NVIC continued to provide response to media inquiries as well as initiated new advertising campaigns to public awareness about NVIC's website and the need to make fully informed vaccine decisions. NVIC's CEO/President is on-call 12 hours a day to respond to media calls inquiries.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. Public Education Programs (Continued)

Print & Broadcast News Articles

Compared to FYE 2013, there was an increase this year in media inquiries to NVIC from journalists seeking NVIC's perspective on emerging vaccine-related news stories. NVIC staff and volunteers were interviewed or quoted in a number of print and broadcast vaccine news stories. Below is a selection of news reports in which NVIC's perspective on vaccine science, policy, law and the informed consent ethic was included:

- *Should Health Care Workers Be Fired for Refusing Flu Shots?* A live debate between NVIC's President and Michael Cannon of the Cato Institute on "Closing Bell." *CNBC*, Nov. 26, 2012.
- *Pro vs. Con: Should We Immunize Our Children?* Massachusetts pediatrician John Snyder, M.D., of Baystate Children's Hospital, debates NVIC's President. *Loop 21*, December 2012.
- *Childhood Vaccine Schedule is Safe, Report Says.* An article about a major IOM report examining scientific evidence related to the federal vaccine schedule for children included NVIC's perspective and comments by NVIC's President criticizing key recommendations in the report. *HealthDay*, Jan. 16, 2013.
- *Vaccination Information and Concerns.* VCY America "Crosstalk" host Vic Eliason interviews NVIC's President on the chronic disease and disability epidemic; one-size-fits-all vaccine policies and laws; anthrax and HPV vaccines and protecting vaccine exemptions. *Christian Information Radio*, Mar. 21, 2013.
- *Local Doctor Criticizes "Pox" Parties.* NVIC's position was included in this Washington state article: "We do not advise people what to do. We empower them with information and encourage people to talk with one or more health care professionals that they trust before making a decision." Read more of this story at *KOMO News*, Apr. 4, 2013.
- *Writer Defends Column Critical of Gardasil Vaccine.* Veteran print journalist and Buffalo, NY area radio host Linda O'Connor interviews NVIC's President about the need for parents to have accurate information about HPV and HPV vaccine after O'Connor was publicly criticized by pediatricians and state health officials for writing about Gardasil vaccine risks. *Parent Talk* on *WECK Radio* (102.9FM), Apr. 13, 2013.
- *Maine Hoping Against Whooping Cough Repeat.* The reporter writing this Maine newspaper story included this reference to NVIC: "Although vaccines are required in Maine, parents sending their children to school can opt out if they sign a statement citing religious or philosophical beliefs opposing vaccines. Most states have some sort of religious or philosophical exemption, but some states require more rigorous documentation, such as a notarized affidavit or a doctor's note, according to the National Vaccine Information Center. Maine is one of 17 states that allow a philosophical exemption not tied to religious beliefs, according to the vaccine center. *Portland Press Herald*, July 1, 2013.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. Public Education Programs (Continued)

Print & Broadcast News Articles (Continued)

- Pharma's Faking a Grassroots Campaign to Keep Jenny McCarthy Off the View. An article published on a blog founded by Mark Crispin Miller, author and Professor of Media Studies at New York University, focused on financial ties between drug companies, federal health agencies and the "parent" group Voices for Vaccines, which is worked to get celebrity Mom Jenny McCarthy fired from ABC-TV's "The View." Investigative reporter Steve Schneider takes a closer look at the controversy and includes facts provided by NVIC's President. *News from Underground*, Aug. 1, 2013.
- Vaccines: Science vs. Skeptics. NVIC's Executive Director debated Dr. Corey Hebert of Louisiana State University Health Sciences Center in a moderated Skype interview. She discussed vaccine science research gaps and defended parents' right to make informed vaccine choices, while pointing out that there is individual susceptibility that raises vaccine risks for some. She said that the federal vaccine injury compensation program has acknowledged vaccines can cause encephalopathy and permanent brain injury, including autism. *Washington Post TV*, Aug. 20, 2013.
- Regs and Exemption Rates Are Linked: Stricter School Policies Garner Fewer Exceptions. A Delmarva Peninsula area newspaper reports that Maryland public health officials want to make it harder for parents to file a vaccine exemption for religious/spiritual beliefs. NVIC President's comment: "Parents should have the option of opting out on philosophical grounds, an alternative not available in any of Delmarva's three states. If you have to do something that violates your conscience, you should have the right to say no without having to suffer drastic legal consequences," she said." *The Daily Times*, Aug. 23, 2013.
- New Efforts Put Pressure on Parents to Vaccinate Kids. An interview and debate was hosted by veteran San Francisco NPR "Forum" radio host Michael Krasney with Director of the Division of Bioethics at NYU Langone Medical Center; Director of the California Immunization Coalition; a California pediatrician and NVIC's President. The spirited but civil discussion focused on why more parents are filing vaccine exemptions for their children at the same time that doctors and some mandatory vaccination proponents want to eliminate exemptions or criminalize vaccine refusal. *NPR KOED-FM*, Aug. 24, 2013.
- CDC Renews Push for HPV Vaccinations for Pre-teens of Both Sexes. NVIC's perspective was included in an article about federal health officials asking doctors to strongly recommend HPV vaccines to patients as young as 11 years old when they are given other vaccines: "Our concern is this aggressive push by the Centers for Disease Control and by medical trade organizations ... toward a mandating of this vaccine for all children." [NVIC's President] charged that 27,908 [reported] negative reactions may represent "only 10 percent of Gardasil adverse events that have actually occurred because 90 percent of all Gardasil adverse events have never been reported to VAERS." *Newsmax*, Aug. 28, 2013.



NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. Public Education Programs (Continued)

NVIC Press Releases

In addition to responding to media inquiries and participating in broadcast and print interviews, NVIC wrote and issued five press releases over BusinessWire during FYE 2013:

- National Vaccine Information Center (NVIC) Says CA Governor Brown Fails to Veto Vaccine Bill but Affirms Personal and Religious Exemptions. In an October 1, 2012 press release, NVIC criticized CA Governor Jerry Brown for signing legislation that NVIC and other parent groups opposed. NVIC's press release generated 6,560 online headline impressions and was picked up by news outlets in more than 55 countries.
- National Vaccine Information Center (NVIC) and Mercola.com Call for Consumer Education and Empowerment During "Vaccine Awareness Week" Sept. 30 - Oct. 6, 2012. In a September 28, 2012 press release, NVIC announced the Third Annual Vaccine Awareness Week co-sponsored by NVIC and Mercola.com, calling for consumer education and empowerment to enable informed, voluntary vaccine decision-making in America. NVIC's press release generated 12,933 online headline impressions and was picked up by news outlets in over 55 countries.
- NVIC Launches Vaccine Education Campaign - Vaccinations? Know the Risks and Failures. In a March 13, 2013 press release, the launching of a national vaccine education billboard campaign sponsored by NVIC was announced. NVIC's press release, which provided links to well-referenced information about vaccine risks and failures on NVIC.org, generated 6,782 online headline impressions and was picked up by news outlets in over 55 countries.
- NVIC Supports Three of Five Recommendations of New IOM Report on U.S. Childhood Immunization Schedule Safety and Calls for Transparency. In a January 16, 2013 press release, NVIC outlined reasons for why the IOM report evaluating the evidence and science gaps related to the safety of the current childhood schedule was useful, while criticizing several IOM recommendations related to future vaccine safety research conducted by federal health agencies. NVIC's press release generated 57,381 online headline impressions and was picked up by news outlets in over 55 countries.

Ad Campaigns

A national billboard campaign *Vaccinations: Know the Risks and Failures* was coordinated by the Director of Operations to raise public awareness about NVIC's website and the need to make informed vaccine choices. The billboards were designed by NVIC staff and, by February 2013, commercial freestanding billboards were placed in premium locations to reach a multi-generational, multi-cultural audience in selected metropolitan areas, including Chicago, IL; Phoenix & Tucson, AZ; Portland, OR; Olympia, WA; Austin, TX; Buffalo, NY; and Atlanta, GA.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. Public Education Programs (Continued)

Ad Campaigns (Continued)

It is estimated that NVIC's billboards were viewed by more than 17.8 million people traveling on major highways, bridges and near malls, stadiums or other key locations. Below is a selection of news reports generated by NVIC's national billboard campaign:

- *Vaccine Skeptics Sound Danger Warning - Billboard campaign encourages people to learn risks, failures before dosing kids.* World Net Daily, Mar. 15, 2013.
- *Vaccine Billboard In Tucson Misleads - Group's Sign Ignores Shots' Benefits, Says Pima Medical Chief.* Arizona Daily Star, Mar. 23, 2013.
- *Vaccination Billboard on I-10 Causing Controversy.* Tucson News Now, Apr. 5, 2013.

In FYE 2013, NVIC also placed ads featuring the "Vaccinations: Know the Risks and Failures" theme in *Midwest Health & Wellness* magazine, *Western New York Family Magazine* and *Natural Mother* magazine for a total readership exposure of 1.2 million people.

Magazine Features

The International Chiropractic Pediatric Association (ICPA), which represents doctors of chiropractic caring for children, has supported NVIC's mission for more than two decades. ICPA publishes *Pathways to Family Wellness* magazine and has included ads promoting NVIC's website. The Summer 2013 issue of *Pathways* featured a 4500 word referenced article written by NVIC's Co-founder and President on "The Moral Right to Religious and Conscientious Belief Exemptions to Vaccination." ICPA also offered NVIC donor supporters and *NVIC Newsletter* subscribers a complimentary digital version or print version of *Pathways to Family Wellness* magazine at a discount.

Speeches

NVIC's President gave three public presentations during FYE 2013 that reached a total audience of more than 3,000 people.

- "Vaccines & Chronic Illness: Staying Well in the New Epidemic." A keynote speech was delivered at the 2012 Natural Living Conference sponsored by Holistic Mom's Network. The conference was attended by several hundred members of Holistic Moms Network and NVIC brochures were distributed to attendees. Doubletree Hotel, Chicago, Illinois, October 13, 2012.
- "Vaccination: Knowledge is Power and Freedom is Not Free." A 20-minute "Ted Talk" type power point presentation was given at the "California Jam" chiropractic conference attended by 2500 doctors of chiropractic, staff and patients. NVIC shared a booth with International Chiropractic Pediatric Association (ICPA) and distributed NVIC brochures. Segerstrom Center for the Arts, Costa Mesa, CA, March 22, 2013.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. Public Education Programs (Continued)

Speeches (Continued)

- “Vaccines: An Informed Perspective.” A sold-out vaccine education event featuring a speech and Q&A session was sponsored, organized and promoted by the San Diego County Chiropractors United. More than 600 parents and doctors of chiropractic attended. Mission Valley Hilton, San Diego, CA, March 26, 2013.

II. Advocacy Program

State Activities

The web-based NVIC Advocacy Portal was created and launched in 2010 by NVIC’s Director of Advocacy, who manages day-to-day operations. The free online communications network puts registered users in direct electronic contact with their state legislators and educates them about state vaccine laws and how to take action to protect vaccine exemptions and parental informed consent rights.

Major Action Alerts distributed to state advocacy leaders and Portal users are often topics of articles published in the *NVIC Newsletter*. During FYE 2013, significant maintenance on the Portal was performed to clean the user list and verify the validity of all user information. This effort ensures the integrity of the NVICAdvocacy.org domain name with Internet service providers.

Google Analytics Tool - This fiscal year, the NVIC Advocacy Portal attracted 5,518 new users, which represents growth of just over 25% since FYE 2012 for a total of 27,347 verified, registered Portal users. Google Analytics was added to the Portal in February and revealed that 25% of users are returning and staying on the Portal for more than three minutes and accessing multiple pages.

During FYE 2013 legislative sessions, the Advocacy Portal actively tracked 121 bills across 38 states and issued 81 Action Alerts and status reports on 19 legislative or regulatory actions. These numbers represent an increase of 233% in the numbers of state bills and administrative rule changes tracked and a 138% increase in Action Alerts issued compared to FYE 2012.

During FYE 2013, the NVIC Advocacy Portal became a significant presence in states like Arizona, New Mexico, and Oregon where there has been little awareness about the need to protect vaccine exemptions.

State Legislative Highlights - NVIC received more requests this year from legislative staffers seeking information about vaccine science and policy. Legislative highlights for this reporting period include saving the personal belief exemption in California, even though the signature of a state designated health care professional is now required to file the exemption, and the instruction to health officials by Governor Brown to add a religious vaccine exemption to California vaccine mandates.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

II. Advocacy Program (Continued)

State Activities (Continued)

NVIC Advocacy Portal users stopped bills to expand vaccine tracking registries in Idaho, Montana and North Dakota and stopped a bill in Texas that would have eliminated the opt-in consent required for children to be included in the state's vaccine registry tracking system. Portal users in Texas also successfully amended legislation to add conscientious belief exemption to mandatory vaccination policies for childcare workers in the state.

Federal Vaccine Advisory Committees

For the past 25 years, NVIC has provided consumer representatives to serve on federal vaccine advisory committees and federal and state public engagement projects. NVIC monitors, 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 (BVAC); and Advisory Commission on Childhood Vaccines (ACCV).

NVIC's volunteer Director of Research and Patient Safety, a former consumer representative on VRBPAC, was asked to serve as a temporary voting member for the February 2013 VRBPAC meeting. During FYE 2013, NVIC's Executive Director monitored and provided public comment on behalf of NVIC during the following federal vaccine advisory committee meetings:

- NVIC Public Comment to the NVAC: Highlighting vaccine safety research gaps, parental skepticism about vaccine safety and reluctance to follow the federally recommended childhood vaccine schedule and need to rebuild public trust, February 2013.
- NVIC Public Comment to the ACCV: Expressing general support for extending statute of limitations on vaccine injury claims, greater transparency in reporting of vaccine injury compensation cases and meaningful public participation in revisions to the Vaccine Information Statement (VIS), March 2013.
- NVIC Public Comment to the NVAC: Discussing significant vaccine safety research gaps identified in 2012 and 2013 Institute of Medicine reports and the conflicts of interest between federal agencies and vaccine manufacturers, June 2013.
- NVIC Public Comment to the ACCV: Discussing expansion of the data and statistics tables on the VICP website to include more specific information on federal vaccine injury compensation awards, June 2013.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

III. Counseling and Community Support

Since 1982, NVIC's staff has operated a Vaccine Reaction Registry and provided free one-on-one counseling and informational support for those reporting vaccine reactions, injuries and deaths. In 2009, NVIC also added an online reporting mechanism for those who have been harassed and sanctioned for making voluntary vaccination choices for themselves and their children.

During FYE 2013 there was an increase in inquiries to NVIC for information and reports of vaccine reactions and harassment.

Counseling Service

Under the direction of NVIC's Executive Director, counselors receive ongoing training and new information on the changing landscape of vaccine policy via the internal *NVIC Counselor Connect Newsletter* and monthly counselor meetings.

During FYE 2013, NVIC's part-time Director of Counseling and volunteer counselors responded to more than 2,700 inquiries for more information or reaction and harassment reports. This is an inquiry and reporting increase of 17 percent compared to FYE 2012.

Many of the inquiries to NVIC made by phone, email or letter are 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.

Online Community Support Forums

NVIC.org provides online public forums for reporting vaccine reactions and posting experiences about harassment and sanctions for making vaccine choices.

The field searchable *Memorial for Vaccine Victims* on NVIC.org allows website visitors to post descriptions and photos of vaccine reactions, injuries and deaths.

The *Cry for Vaccine Freedom Wall* is an online public forum where NVIC.org visitors can post real-life experiences about intimidation, denial of medical care, loss of employment or health insurance coverage, denial of a public education or other sanctions by pediatricians, public health and school officials and employers managing health care facilities. During FYE 2013, there were 155 new harassment reports posted on the Vaccine Freedom Wall.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

IV. Research Program

During FYE 2013, NVIC's volunteer Director of Research and Patient Safety continued to work on NVIC funded and IRB approved research conducted through George Mason University. The first set of studies, "Comparison of Health and Utilization Outcomes among Fully and Never Vaccinated Children" which was later expanded to include a companion study, "Child Health Outcomes, Vaccination Patterns and Familial Genetic Risk," are national longitudinal retrospective case-controlled analyses of multiple years of randomly selected children and their parents. The studies are ongoing and, when completed, will be submitted to peer reviewed journals.

The second set of studies is an adjunct to a major study funded by the Robert Wood Johnson Foundation (RWJF), "Fatal Exemptions? A Longitudinal Analysis of the Effect of Non-medical Exemptions to State School Immunization Laws on Vaccine-Targeted Diseases." This study, "Longitudinal Analysis of the Relationship Between Restrictiveness of State Non-medical Vaccine Exemption Laws, Vaccine Uptake, Infant Mortality and ADHD" uses a longitudinal mixed-effects model built from data collected by several federal government agencies, as well as novel state vaccination law data. These data characterize differences in the restrictiveness of state vaccination exemption laws.

The major study funded by RWJF has been completed and a paper has been accepted for publication by the *American journal of Public Health*, which will be published in early 2014. Preliminary findings from this study outlined in the paper were presented at several national health conferences. Work on a second paper to be submitted to a medical journal is ongoing. Publication of the RWJF-funded study will provide a solid foundation for publishing the results of the adjunct study funded by NVIC.

Progress has been made on both sets of studies. However, there have been a number of delays that are partly due to the complexity of several variable construction issues, including delayed access to a particular type mortality data and incomplete submission data by the states to the CDC, which required major restructuring of the statistical models. NVIC granted GMU two no-cost extensions to allow for sufficient time to complete the research.

(g) Functional Expense Allocation Policies and Procedures:

Management has elected to prepare a schedule of functional expenses that is presented as supplemental information to the financial statements. The schedule of functional expenses presents an allocation of each expense category between program services, general and administrative, and fundraising activities. Program service costs pertain to promoting and encouraging the health and welfare of American children and adults. General and administrative costs pertain to supporting activities. Fundraising expenses relate to fundraising activities such as generating contributions.

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

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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

Direct costs, where identifiable, are allocated in whole to the appropriate functional category.

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

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

(h) Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of support and revenues and expenses during the reporting period. Actual results could differ from those estimates.

(i) Fundraising:

During the years ended August 31, 2013 and 2012, expenses in the amount of \$27,647 and \$26,018, respectively, were incurred for the purposes of fundraising.

(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, accounts receivable, prepaid expenses, accounts payable, and accrued expenses.

(k) Certificates of Deposit:

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

(l) Reclassifications:

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. These reclassifications had no effect on the change in net assets or total net assets from the prior year.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

3. ACCOUNTING FOR UNCERTAIN TAX POSITIONS:

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB ASC No. 740-10 [formerly Interpretation No. 48 (FIN 48)], *Accounting for Uncertainty in Income Taxes*, which is an interpretation of ASC 740's (formerly SFAS No. 109), *Accounting for Income Taxes*. FASB ASC No. 740-10 clarifies the accounting for uncertainty in income taxes recognized in the National Vaccine Information Center's financial statements in accordance with ASC 740's and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC No. 740-10 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the National Vaccine Information Center's tax return to determine whether the tax positions have a "more-likely-than-not" probability of being sustained by the applicable tax authority.

The National Vaccine Information Center performed an evaluation of uncertain tax positions for the year ended August 31, 2013, 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, 2013, the statute of limitations for tax years 2009 through 2011 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, 2013, the Organization had no accruals for interest and/or penalties.

4. CASH, CASH EQUIVALENTS AND CERTIFICATES OF DEPOSIT:

Cash and Cash Equivalents:

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

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Non-Interest Bearing Checking Account	\$ 240,067	\$ 270,797
Savings Account	10	5
Interest Bearing Checking Account	<u>45,434</u>	<u>45,409</u>
Total	<u>\$ 285,511</u>	<u>\$ 316,211</u>

Certificates of Deposit:

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

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Certificates of Deposit	<u>\$ 502,260</u>	<u>\$ 250,000</u>

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



NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

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

The National Vaccine Information Center maintains its deposits in two financial institutions in the form of business checking accounts, a savings account and certificates of deposit. The checking accounts are covered under the Federal Deposit Insurance Corporation (FDIC) program. General Federal Deposit Insurance Corporation (FDIC) Insurance coverage is \$250,000 per account category. The savings account and certificate of deposit are covered under the National Credit Union Administration (NCUA) program. General National Credit Union Administration (NCUA) Insurance coverage is \$250,000. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, non-interest-bearing accounts were insured in full through December 31, 2012, at which time the unlimited insurance coverage for non-interest-bearing transaction accounts expired. Deposits held in non-interest-bearing transaction accounts are now aggregated with any interest-bearing deposits and the combined total insured up to \$250,000.

As of August 31, 2013, \$290,765 of the bank balance was deposited in excess of both the Federal Deposit Insurance Corporation and the National Credit Union Administration insurance limits. The Organization has not experienced any losses related to these accounts and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

5. ACCOUNTS AND PROMISES RECEIVABLE:

Accounts Receivable:

Accounts receivable at August 31, 2013 and 2012 were considered to be fully collectible by management. Balances at year end consisted of the following:

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Travel Refund	\$ -	\$ 278
Reimbursable Expense	49	-
Interest	<u>173</u>	<u>-</u>
Total Accounts Receivable	<u>\$ 222</u>	<u>\$ 278</u>

The Organization's accounts receivable consists of unsecured amounts due from program participants and funding sources whose ability to pay is subject to changes in general economic conditions. Because the Organization does not require collateral, it is at credit risk for the balance of the accounts receivable as of August 31, 2013.

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.

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

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

5. ACCOUNTS AND PROMISES RECEIVABLE: (Continued)

Promises Receivable:

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

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Time Restricted	\$ 40,000	\$ 40,000
Public and Media Relations	-	3,500
Unrestricted	<u>4,270</u>	<u>5,025</u>
Total Promises Receivable	<u>\$ 44,270</u>	<u>\$ 48,525</u>

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

6. FIXED ASSETS:

Furniture and office equipment are recorded at cost or, in the case of contributed property, at the fair market value at the date of contribution. If an expenditure in excess of \$500 results in an asset having an estimated useful life, which extends substantially beyond the year of acquisition, the expenditure is capitalized at cost and depreciated over the estimated useful life of the asset. Maintenance and repairs are charged to expenses as incurred. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any other resulting gain or loss is reflected in income for the period. Depreciation has been provided on the straight-line method over the estimated useful lives of the assets of 3 to 10 years. Depreciation and amortization expense for the years ended August 31, 2013 and 2012 was \$8,598 and \$8,945, respectively. A summary of fixed assets at year end were as follows:

August 31, 2013

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Depreciation</u>
Computer Equipment	\$ 38,607	\$ 25,084	\$ 13,523	\$ 6,443
Office Furniture	16,495	7,529	8,966	2,025
Leasehold Improvements	<u>3,885</u>	<u>130</u>	<u>3,755</u>	<u>130</u>
Totals	<u>\$ 58,987</u>	<u>\$ 32,743</u>	<u>\$ 26,244</u>	<u>\$ 8,598</u>

August 31, 2012

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Depreciation</u>
Computer Equipment	\$ 26,830	\$ 20,246	\$ 6,584	\$ 6,733
Office Furniture	<u>8,988</u>	<u>5,504</u>	<u>3,484</u>	<u>2,212</u>
Totals	<u>\$ 35,818</u>	<u>\$ 25,750</u>	<u>\$ 10,068</u>	<u>\$ 8,945</u>

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

7. DEFERRED RENT ABATEMENT:

Accounting principles generally accepted in the United States of America require that rent expense, pursuant to a non-cancelable lease that includes a rent abatement period and fixed scheduled rent increases, be recorded on a straight-line basis over the term of the lease. The difference between this expense and the required lease payments is reflected as deferred rent abatement in the accompanying statements of financial position. The National Vaccine Information Center entered into a lease agreement for the rental of office space located in Sterling, Virginia, for sixty-two (62) months, commencing on June 10, 2013 and expiring on August 9, 2018. As a condition of the lease terms, the first two months of rent have been abated. Accordingly, \$4,752 of future rent payments have been recorded as a liability to adjust the actual rent paid to conform to the straight-line basis. The balance of the unamortized deferred rent abatement at August 31, 2013 was \$4,752.

8. EMPLOYEE BENEFITS:

The cost of fringe benefits incurred consisted of the following:

	<u>August 31, 2013</u>	<u>August 31, 2012</u>
Social Security/Medicare	\$ 23,626	\$ 20,106
State Unemployment Tax	369	-
Worker's Compensation	446	635
Education	<u>597</u>	<u>-</u>
Total Fringe Benefits	<u>\$ 25,038</u>	<u>\$ 20,741</u>

9. JOINT COST ACTIVITIES:

The National Vaccine Information Center achieves some of its programmatic and management and general goals through direct mail campaigns that include requests for contributions. The costs of conducting those campaigns during the years ended August 31, 2013 and 2012 included a total of \$20,576 and \$14,984, 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, 2013</u>	<u>August 31, 2012</u>
Educational	\$ 16,671	\$ 9,526
Fundraising	<u>3,905</u>	<u>5,458</u>
Total Joint Costs	<u>\$ 20,576</u>	<u>\$ 14,984</u>

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 expires on August 9, 2018. Monthly rental payments of \$2,291 began on September 1, 2013 after a two-month abatement period. The monthly rental payments are \$2,291 for the year with increases annually each year thereafter of three percent (3%). Monthly rental payments as of August 31, 2013, were \$2,291. As a requirement of this lease, a security deposit in the amount of \$2,291 was required to be made.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

10. COMMITMENTS: (Continued)

Office Lease - Sterling: (Continued)

The Center is obligated to pay a proportion of the annual increase in operating cost of the leased property. An estimate of the annual increase in operating cost has not been provided for in the following. Rental expense related to this lease for the year ended August 31, 2013 was \$6,356. As of August 31, 2013, future minimum rental obligations required under this lease, net of rent abatement are as follows:

<u>Year Ending August 31</u>	<u>Rent Obligation</u>	<u>Rent Abatement</u>	<u>Net Obligation</u>
2014	\$ 27,558	\$ 689	\$ 28,247
2015	28,384	(137)	28,247
2016	29,236	(989)	28,247
2017	30,113	(1,866)	28,247
2018	<u>29,048</u>	<u>(2,449)</u>	<u>26,599</u>
Total	<u>\$ 144,339</u>	<u>\$ (4,752)</u>	<u>\$ 139,587</u>

Office Lease - Vienna:

The National Vaccine Information Center entered into an operating lease agreement with Thomas V. Staats for the lease of office space located in Vienna, Virginia. This lease called for monthly payments of \$750 through December 31, 2010 and \$850 per month thereafter. This lease operated on a month-to-month basis through June 2013. Rental expense for years ended August 31, 2013 and 2012 was \$7,650 and \$10,200, respectively.

Storage Space Lease:

The National Vaccine Information Center entered into an operating lease agreement on August 1, 2008 for the storage of the organizations' research library. This lease called for monthly payments of \$454 through January 2013 and \$472 thereafter. This lease operated on a month-to-month basis until it was terminated effective June 30, 2013. Rental expense for the years ended August 31, 2013 and 2012 was \$4,644 and \$5,293, respectively.

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, 2013 and 2012, an amount of \$400,000 and \$300,000, which represents fifty-one percent (51%) and thirty-seven percent (37%) of total financial support, was received in the form of contributions from a single foundation.

12. RELATED PARTY TRANSACTIONS:

Contributions:

Various board members of the National Vaccine Information Center gave contributions during the years ended August 31, 2013 and 2012 to the organization in the amount of \$3,275 and \$1,025, respectively.

NATIONAL VACCINE INFORMATION CENTER  
NOTES TO FINANCIAL STATEMENTS

12. RELATED PARTY TRANSACTIONS: (Continued)

Contributions: (Continued)

During the year ending August 31, 2013, a foundation for which a board member is affiliated provided funding in the amount of \$3,500 for support of the Longitudinal Analysis of the Relationship between Restrictions of State Non-medical Vaccine Exemption Laws, Vaccine Uptake, Infant Mortality and ADHD project.

During the year ending August 31, 2012, a foundation for which a board member is affiliated provided funding in the amount of \$82,983 for the production of a Vaccine Safety Conference Video as well as for a Public and Media Relations campaign.

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.

13. CONTINGENCIES:

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

14. SUBSEQUENT EVENTS:

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through January 4, 2014, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

NATIONAL VACCINE INFORMATION CENTER  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2013

	<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	\$ 310,730	\$ 21,964	\$ 7,740	\$ 153,146	\$ 51,575	\$ 11,606	\$ 52,499	\$ 12,200
Fringe Benefits	25,038	1,727	609	12,643	4,057	913	4,129	960
Graphic Design and Artwork	3,825	-	315	3,510	-	-	-	-
Investigative Research	37,500	-	-	28,125	-	-	7,500	1,875
Information Technology and Web Hosting	121,132	-	-	114,944	-	-	-	6,188
Payroll Service Fees	2,258	160	56	1,113	375	84	382	88
Accounting	13,246	530	265	11,392	265	265	265	264
Subcontract - Research	-	-	-	-	-	-	-	-
Legal Fees	3,720	-	3,300	-	420	-	-	-
Telephone	13,011	501	36	7,441	73	-	4,960	-
Internet	7,237	159	1,270	5,716	23	-	46	23
Postage and Shipping	14,933	1,135	1,999	10,402	474	-	923	-
Printing and Reproduction	20,216	149	2,516	17,182	369	-	-	-
Marketing and Public Relations	64,750	411	-	64,339	-	-	-	-
Press Releases	4,423	-	-	3,538	885	-	-	-
Occupancy	14,006	990	349	6,903	2,325	523	2,366	550
Storage	5,241	-	-	5,241	-	-	-	-
Travel	16,825	-	-	16,825	-	-	-	-
Meetings and Conferences	457	-	-	457	-	-	-	-
Office Supplies and Expense	8,676	1,296	154	6,610	154	154	154	154
Equipment Rental and Maintenance	527	325	-	202	-	-	-	-
Dues, Subscriptions and Taxes	4,536	1,036	-	-	3,500	-	-	-
State Registration	3,278	-	3,278	-	-	-	-	-
Licenses and Permits	1,561	-	1,561	-	-	-	-	-
Corporate Insurance	5,283	211	106	4,543	105	106	106	106
Bank and Service Charges	4,022	143	3,879	-	-	-	-	-
Moving Expenses	2,792	2,792	-	-	-	-	-	-
Depreciation Expense	8,598	608	214	4,237	1,427	321	1,453	338
<b>Total Expenses</b>	<b>\$ 717,821</b>	<b>\$ 34,137</b>	<b>\$ 27,647</b>	<b>\$ 478,509</b>	<b>\$ 66,027</b>	<b>\$ 13,972</b>	<b>\$ 74,783</b>	<b>\$ 22,746</b>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED AUGUST 31, 2012

	<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	\$ 259,195	\$ 18,966	\$ 7,720	\$ 122,769	\$ 49,983	\$ 8,383	\$ 39,349	\$ 12,025
Fringe Benefits	20,741	1,518	618	9,823	4,000	671	3,149	962
Graphic Design and Artwork	9,080	-	376	8,704	-	-	-	-
Investigative Research	90,000	-	-	67,500	-	-	13,500	9,000
Information Technology and Web Hosting	92,495	-	-	80,340	-	-	-	12,155
Payroll Service Fees	1,842	135	55	872	355	60	280	85
Accounting	12,359	494	247	10,630	247	247	247	247
Subcontract - Research	73,875	-	-	-	-	-	-	73,875
Legal Fees	3,300	-	3,300	-	-	-	-	-
Telephone	11,345	449	-	6,290	1,010	-	3,596	-
Internet	6,177	343	1,036	4,798	-	-	-	-
Postage and Shipping	16,999	3,680	2,841	10,236	-	-	242	-
Printing and Reproduction	15,573	662	2,844	12,067	-	-	-	-
Marketing and Public Relations	119,591	-	-	119,591	-	-	-	-
Press Releases	5,917	-	-	5,917	-	-	-	-
Occupancy	10,200	408	204	8,772	204	204	204	204
Storage	5,293	-	-	5,293	-	-	-	-
Travel	21,084	-	-	21,084	-	-	-	-
Meetings and Conferences	31,532	-	-	31,532	-	-	-	-
Office Supplies and Expense	5,672	1,136	94	4,063	95	94	95	95
Equipment Rental and Maintenance	266	-	30	236	-	-	-	-
Dues, Subscriptions and Taxes	3,273	773	-	2,500	-	-	-	-
State Registration	3,191	3,191	-	-	-	-	-	-
Licenses and Permits	3,242	3,242	-	-	-	-	-	-
Corporate Insurance	5,010	201	100	4,309	100	100	100	100
Bank and Service Charges	6,477	103	6,374	-	-	-	-	-
Moving Expenses	-	-	-	-	-	-	-	-
Depreciation Expense	8,945	357	179	7,693	179	179	179	179
<b>Total Expenses</b>	<b>\$ 842,674</b>	<b>\$ 35,658</b>	<b>\$ 26,018</b>	<b>\$ 545,019</b>	<b>\$ 56,173</b>	<b>\$ 9,938</b>	<b>\$ 60,941</b>	<b>\$ 108,927</b>

(See Accompanying Notes and Auditor's Report)