

NATIONAL VACCINE INFORMATION CENTER
STERLING, VIRGINIA

COMPARATIVE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

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

Opinion

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, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the National Vaccine Information Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the National Vaccine Information Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 National Vaccine Information Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the National Vaccine Information Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Kendall, Prebola and Jones

Kendall, Prebola and Jones
Certified Public Accountants

Bedford, Pennsylvania
June 20, 2024

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
<u>Current Assets:</u>		
Cash and Cash Equivalents	\$ 640,550	\$ 533,358
Investments	839,578	831,265
Certificates of Deposit	1,939,382	2,063,256
Accounts Receivable	25,173	3,075
Promises to Give	4,913	6,329
Prepaid Expenses	<u>16,392</u>	<u>23,933</u>
Total Current Assets	<u>\$ 3,465,988</u>	<u>\$ 3,461,216</u>
<u>Fixed Assets: At Cost</u>		
Furniture and Equipment	\$ 198,996	\$ 207,941
Leasehold Improvements	3,885	3,885
Less: Accumulated Depreciation and Amortization	<u>(127,100)</u>	<u>(83,900)</u>
Total Fixed Assets	<u>\$ 75,781</u>	<u>\$ 127,926</u>
<u>Other Assets:</u>		
Security Deposits	\$ 2,291	\$ 2,291
Operating Lease, Right-of-Use Assets	<u>95,964</u>	<u>-</u>
Total Other Assets	<u>\$ 98,255</u>	<u>\$ 2,291</u>
TOTAL ASSETS	<u>\$ 3,640,024</u>	<u>\$ 3,591,433</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities:</u>		
Accounts Payable	\$ 24,466	\$ 15,460
Accrued Wages and Taxes	3,913	9,947
Deferred Rent Abatement - Current Portion	-	1,905
Operating Lease Liability - Current Portion	<u>29,993</u>	<u>-</u>
Total Current Liabilities	<u>\$ 58,372</u>	<u>\$ 27,312</u>
<u>Long-Term Liabilities:</u>		
Operating Lease Liability - Net of Current Portion	<u>\$ 63,649</u>	<u>\$ -</u>
Total Long-Term Liabilities	<u>\$ 63,649</u>	<u>\$ -</u>
Total Liabilities	<u>\$ 122,021</u>	<u>\$ 27,312</u>
<u>Net Assets:</u>		
Without Donor Restrictions	\$ 3,518,003	\$ 3,564,121
With Donor Restrictions	<u>-</u>	<u>-</u>
Total Net Assets	<u>\$ 3,518,003</u>	<u>\$ 3,564,121</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,640,024</u>	<u>\$ 3,591,433</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

	<u>August 31, 2023</u>			<u>August 31, 2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>Revenues, Gains and Other Support:</u>						
Contributions and Grants - Foundations	\$ 705,184	\$ 10,000	\$ 715,184	\$ 1,218,606	\$ -	\$ 1,218,606
Contributions and Grants - Other	725,009	-	725,009	801,153	-	801,153
Donated Assets and Services	120,346	-	120,346	120,509	-	120,509
Interest Income	61,035	-	61,035	19,645	-	19,645
Gain/(Loss) on Disposal of Fixed Assets	(220)	-	(220)	549	-	549
Net Assets Released from Restrictions						
Satisfaction of Program Restrictions	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>\$ 1,621,354</u>	<u>\$ -</u>	<u>\$ 1,621,354</u>	<u>\$ 2,160,462</u>	<u>\$ -</u>	<u>\$ 2,160,462</u>
<u>Expenses:</u>						
Educational	\$ 1,120,277	\$ -	\$ 1,120,277	\$ 1,084,309	\$ -	\$ 1,084,309
Advocacy	186,619	-	186,619	213,502	-	213,502
Lobbying	37,431	-	37,431	37,244	-	37,244
Support	127,277	-	127,277	144,696	-	144,696
Fundraising	49,172	-	49,172	49,954	-	49,954
General and Administrative	<u>146,696</u>	<u>-</u>	<u>146,696</u>	<u>192,438</u>	<u>-</u>	<u>192,438</u>
Total Expenses	<u>\$ 1,667,472</u>	<u>\$ -</u>	<u>\$ 1,667,472</u>	<u>\$ 1,722,143</u>	<u>\$ -</u>	<u>\$ 1,722,143</u>
Changes in Net Assets	\$ (46,118)	\$ -	\$ (46,118)	\$ 438,319	\$ -	\$ 438,319
Net Assets, Beginning of Period	<u>3,564,121</u>	<u>-</u>	<u>3,564,121</u>	<u>3,125,802</u>	<u>-</u>	<u>3,125,802</u>
Net Assets, End of Period	<u>\$ 3,518,003</u>	<u>\$ -</u>	<u>\$ 3,518,003</u>	<u>\$ 3,564,121</u>	<u>\$ -</u>	<u>\$ 3,564,121</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

	August 31, 2023						
	<u>Total</u>	<u>Supporting Services</u>		<u>Program Services</u>			
		<u>General and Administrative</u>	<u>Fundraising</u>	<u>Educational</u>	<u>Advocacy</u>	<u>Lobbying</u>	<u>Support</u>
<u>Expenses:</u>							
Salaries and Wages	\$ 908,752	\$ 86,893	\$ 17,845	\$ 536,049	\$ 137,978	\$ 31,020	\$ 98,967
Fringe Benefits	76,339	10,436	1,431	42,985	11,064	2,487	7,936
Graphic Design and Artwork	4,130	-	-	4,130	-	-	-
Investigative Research	78,721	-	-	78,721	-	-	-
Information Technology and Web Hosting	141,545	-	-	141,545	-	-	-
Consultants	36,200	-	-	36,200	-	-	-
Payroll Service Fees	7,205	689	141	4,250	1,094	246	785
Accounting	15,367	1,229	-	13,369	462	-	307
Legal Fees	3,600	-	3,600	-	-	-	-
Telephone	14,381	582	-	6,418	1,218	-	6,163
Internet	21,820	353	55	18,912	1,761	-	739
Postage and Shipping	24,131	3,261	1,606	16,820	465	-	1,979
Printing and Reproduction	22,066	502	2,678	18,886	-	-	-
Marketing and Public Relations	44,409	-	-	44,409	-	-	-
Occupancy	35,451	3,390	696	20,911	5,383	1,210	3,861
Storage	7,767	-	-	7,767	-	-	-
Travel	29,602	-	-	22,192	7,410	-	-
Meetings and Conferences	25,854	25,854	-	-	-	-	-
Audio Visual and Photography	7,109	-	-	7,109	-	-	-
Office Supplies and Expense	24,533	972	418	18,200	4,107	418	418
Dues, Subscriptions and Taxes	11,449	4,325	-	-	7,124	-	-
State Registrations	4,015	-	4,015	-	-	-	-
Licenses and Permits	1,587	-	1,587	-	-	-	-
Corporate Insurance	9,538	381	191	8,298	286	191	191
Contributions	43,487	2,500	-	40,987	-	-	-
Bank and Service Charges	13,963	123	13,840	-	-	-	-
Depreciation Expense	54,451	5,206	1,069	32,119	8,267	1,859	5,931
Total Expenses	<u>\$ 1,667,472</u>	<u>\$ 146,696</u>	<u>\$ 49,172</u>	<u>\$ 1,120,277</u>	<u>\$ 186,619</u>	<u>\$ 37,431</u>	<u>\$ 127,277</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

	August 31, 2022						
	<u>Total</u>	<u>Supporting Services</u>		<u>Program Services</u>			
		<u>General and Administrative</u>	<u>Fundraising</u>	<u>Educational</u>	<u>Advocacy</u>	<u>Lobbying</u>	<u>Support</u>
<u>Expenses:</u>							
Salaries and Wages	\$ 829,387	\$ 59,292	\$ 5,903	\$ 477,750	\$ 141,750	\$ 31,225	\$ 113,260
Fringe Benefits	67,341	5,735	472	38,235	11,340	2,498	9,061
Graphic Design and Artwork	350	-	-	350	-	-	-
Investigative Research	76,350	-	-	61,080	15,270	-	-
Information Technology and Web Hosting	139,736	-	-	139,736	-	-	-
Consultants	129,369	108,169	-	21,200	-	-	-
Payroll Service Fees	7,502	536	53	4,324	1,282	282	1,025
Accounting	18,158	1,453	-	15,797	545	-	363
Legal Fees	4,200	-	4,200	-	-	-	-
Telephone	15,448	684	-	7,808	789	-	6,167
Internet	31,611	465	473	27,024	2,229	-	1,420
Postage and Shipping	27,722	3,409	1,943	18,562	1,202	-	2,606
Printing and Reproduction	87,364	321	12,370	74,673	-	-	-
Marketing and Public Relations	105,611	-	-	105,611	-	-	-
Occupancy	35,827	2,561	255	20,646	6,123	1,349	4,893
Storage	6,443	-	-	6,443	-	-	-
Travel	15,514	-	-	9,708	5,806	-	-
Meetings and Conferences	451	451	-	-	-	-	-
Audio Visual and Photography	-	-	-	-	-	-	-
Office Supplies and Expense	23,724	399	209	9,031	13,669	208	208
Dues, Subscriptions and Taxes	10,756	4,423	-	-	-	-	-
State Registrations	3,837	-	3,837	-	-	-	-
Licenses and Permits	1,520	-	1,520	-	-	-	-
Corporate Insurance	7,763	311	155	6,754	233	155	155
Contributions	16,000	-	-	16,000	-	-	-
Bank and Service Charges	19,605	1,330	18,275	-	-	-	-
Depreciation Expense	40,554	2,899	289	23,370	6,931	1,527	5,538
Total Expenses	<u>\$ 1,722,143</u>	<u>\$ 192,438</u>	<u>\$ 49,954</u>	<u>\$ 1,084,309</u>	<u>\$ 213,502</u>	<u>\$ 37,244</u>	<u>\$ 144,696</u>

(See Accompanying Notes and Auditor's Report)

NATIONAL VACCINE INFORMATION CENTER
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>Cash Flows from/(for) Operating Activities:</u>		
Changes in Net Assets	\$ (46,118)	\$ 438,319
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows from/(for) Operating Activities:		
Depreciation and Amortization Expense	54,451	40,554
(Gain)/Loss on Disposal of Fixed Assets	220	-
Amortization of Right-of-Use Assets, Operating Lease	7,278	-
Prepaid Rent included in Carrying Value of Right-of-Use Asset	(2,762)	-
Reduction of Lease Obligation, Operating Lease	(7,315)	-
(Increase)/Decrease in Assets:		
Accounts Receivable	(22,098)	(2,447)
Promises to Give	1,416	17,790
Prepaid Expenses	7,541	20,815
Increase /(Decrease) in Liabilities:		
Accounts Payable	9,006	8,950
Accrued Wages and Taxes	(6,034)	3,994
Deferred Rent Abatement	(1,428)	(924)
Net Cash Flows from/(for) Operating Activities	<u>\$ (5,843)</u>	<u>\$ 527,051</u>
<u>Cash Flows from/(for) Investing Activities:</u>		
Acquisition of Fixed Assets	\$ (2,526)	\$ (130,012)
Purchase of Certificates of Deposit	(2,051,126)	(1,580,345)
Proceeds on Sale of Certificates of Deposit	2,175,000	1,000,000
Purchase of Investments	<u>(8,313)</u>	<u>(8,230)</u>
Net Cash Flows from/(for) Investing Activities	<u>\$ 113,035</u>	<u>\$ (718,587)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	\$ 107,192	\$ (191,536)
Cash and Cash Equivalents, Beginning of Period	<u>533,358</u>	<u>724,894</u>
Cash and Cash Equivalents, End of Period	<u>\$ 640,550</u>	<u>\$ 533,358</u>

Supplemental Disclosures:

There was no cash paid for interest or income taxes during the years ended August 31, 2023 and 2022.

Non-Cash Disclosures:

Non-cash activities include the recording of an Operating Lease Right-of-Use Asset in the amount of \$100,481 and an Operating Lease Liability of \$100,957 during the year ended August 31, 2023.

(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 (NVIC) on January 6, 1995, and was again recognized as a 501(c)(3) exempt organization on that date and headquartered in the Commonwealth of Virginia.

The charitable organization was founded by parents of DPT vaccine injured children to prevent 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. NVIC advocates for the legal right for individuals to make educated, voluntary decisions about vaccination and health without being sanctioned for the decision made.

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 sponsorship and operation of four websites (NVIC.org, NVICAdvocacy.org, TheVaccineReaction.org and MedAlerts.org) that provide the public with well referenced information on vaccination and infectious diseases, focusing on vaccine history, science, policy, law and ethics. Educational efforts are accomplished through a publications program that includes a digital weekly journal newspaper and bi-monthly digital newsletter, as well as the creation of guides, brochures, posters, in-depth special reports, and other print publications; production of videos for posting on NVIC websites and other online platforms; online and print vaccine education advertising campaigns and distribution of publications and website information at health conferences and to the general public.

NVIC also provides timely information to the public by offering consumer perspectives in media reports about vaccine topics and occasionally issuing press releases, as well as by sponsoring and participating in educational workshops and conferences discussing vaccination, health and autonomy. Other NVIC programs include providing one-on-one support for individuals reporting vaccine injuries and deaths upon request; and the operation of a free online grassroots advocacy communications network to educate lawmakers and empower citizens in every state to secure vaccine informed consent protections in U.S. public health policies and laws.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

(a) Basis of Accounting and Presentation:

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

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(b) Revenue Recognition:

Contributions

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

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

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

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

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

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

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

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(b) Revenue Recognition: (Continued)

Exchange Transactions

The Organization has adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, "Revenue for Contracts with Customers," and a series of amendments which together hereinafter are referred to as "ASC Topic 606." This standard outlines a single comprehensive model for entities to use in accounting for revenues arising from contracts with customers (donors). Central to the revenue recognition framework is a five-step revenue recognition model that requires reporting entities to:

1. Identify the contract;
2. Identify the performance obligations of the contract;
3. Determine the transaction price of the contract;
4. Allocate the transaction price to the performance obligations, and;
5. Recognize revenue.

(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 years ended August 31, 2023 and 2022.

Lobbying

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

(d) Net Assets:

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

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(d) Net Assets: (Continued)

Net Assets without Donor Restrictions

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

Net Assets with Donor Restrictions

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

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service, unless the donor provides more specific directions about the period of its use.

There were no net assets with donor restrictions available at year end.

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:

	2023	2022
Research	\$ 10,000	\$ -
Total Net Assets Released from Restrictions	\$ 10,000	\$ -

(e) Contributed Nonfinancial Assets:

Donated services and materials are recognized as contributions in accordance with FASB ASC 958, *Accounting for Contributions Received and Contributions Made*, if the services received create or enhance nonfinancial assets or require specialized skills, and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(e) Contributed Nonfinancial Assets: (Continued)

In addition, a substantial number of volunteers donated significant amounts of their time in the National Vaccine Information Center’s supporting services for which no value has been assigned. The time contributed by the Organization’s Board of Directors is uncompensated and is not reflected as donated services. In-kind contributions are recorded in the statement of activities at estimated fair value and recognized as revenue and expense (or an asset) in the period they are received.

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

	2023	2022
Investigative Research	\$ 57,750	\$ 76,350
Information Technology and Web Hosting	55,564	40,959
Booth Rental	4,400	2,825
Computer Software	2,632	-
Bookkeeping Services	-	375
Total Donated Services and Materials	\$ 120,346	\$ 120,509

(f) Basic Programs:

I. PUBLIC EDUCATION PROGRAMS

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

Websites

- **NVIC.org** - The information that NVIC staff researches, analyzes and publishes is publicly 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 non-governmental, 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 compiled on more than 2,000 web pages. and educational videos are also part of the NVIC.org library of educational information.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Websites (Continued)

• **NVIC.org** (Continued)

During FY2023, NVIC continued to refine and add features to the NVIC.org website, which was migrated to an updated platform in FY2022 and added improved security. NVIC.org houses NVIC's 40 years of referenced commentaries, special reports, articles, statements and public comments, podcasts, legislative testimony and videos. Work continues to improve the user experience through optimally organizing and making content more easily accessible by visitors.

A special report on the coronavirus (COVID-19) pandemic, which includes referenced articles and videos produced between 2020 and 2023 that provides a contemporary description and analysis of scientific, public health policy, media and legal issues related the SARS-CoV-2 virus and COVID vaccines, was expanded. New information on other vaccines and diseases was posted, along with updated information on daycare and school vaccine requirements and exemptions for all states. Referenced video commentaries and articles were also added to the NVIC.org compendium of educational information available to the public. There were about 545,000 page views on NVIC.org during this reporting period.

- **NVICAdvocacy.org** - The web-based NVIC Advocacy Portal and website was created and launched in 2010 and contains comprehensive information on and analysis of vaccine-related legislation introduced in U.S. state legislatures that is accessible to the public for free and emailed to registered Portal users. Additional improvements were made to the Advocacy Portal website following a major update/upgrade of the website in 2022 to improve functionality, security and user experience. During the 2023 legislative session, the NVIC Advocacy staff analyzed, tracked and issued position statements on over 700 vaccine related bills introduced in all 50 states and Washington, D.C. There were over 166,000 page views of the NVIC Advocacy Portal during this reporting period.
- **TheVaccineReaction.org** - This website is a weekly journal newspaper established in digital form in 2015 to promote "*an enlightened conversation about vaccination, health and autonomy*" and is emailed for free to subscribers. Originally a print publication launched by NVIC in 1995, the digital version of *The Vaccine Reaction* is dedicated to promoting an enlightened conversation about vaccination, health, and autonomy and focuses on topics related to vaccines and diseases, health, ethics, medicine, law, media and business and maintains a publicly searchable article archive. During FY2023, over 200 referenced articles in 52 editions were published and the website hosted 391,450 visitors.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Websites (Continued)

- **MedAlerts.org** - MedAlerts.org is a web-based program established in 2003 that has been sponsored by NVIC since 2006 to provide the public with a user-friendly way to search the federal Vaccine Adverse Events Reporting System (VAERS) database. Visitors can search for detailed information on vaccine adverse event reports made to the government by doctors, vaccine recipients and parents or guardians of minor children, who received vaccines and experienced a deterioration in health. NVIC co-founders were responsible for securing the inclusion of VAERS as a vaccine safety provision in the 1986 National Childhood Vaccine Injury Act, which requires vaccine providers to report hospitalizations, injuries and deaths following vaccination to VAERS. MedAlerts hosted over six million visitors during this reporting period.

Events

During the 13th Annual Vaccine Awareness Week (VAW) co-sponsored with Mercola.com and held Nov. 13 - 19, 2022, NVIC published a referenced video commentary by NVIC Co-Founder and President, Barbara Loe Fisher, entitled *Weaponizing COVID to Promote Collectivism*, as well as published the *2022 Annual Report on U.S. State Legislation* by NVIC's Advocacy Portal staff. The 2022 annual state legislation report was accompanied by a video providing an overview of vaccine related legislative activity for the 2022 legislative session.

On March 23, 2023, NVIC dedicated a Truth and Freedom Monument in Cape Coral, Florida, marking NVIC's 40th Anniversary of preventing vaccine injuries and deaths through public education and working to secure informed consent protections in vaccine policies and laws. The bronze and marble monument celebrates civil liberties and the informed consent principle and honors those who have been injured or died after vaccination.

Print and Digital Publications

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

NVIC Newsletter and The Vaccine Reaction Journal Newspaper

Together, the digital *NVIC Newsletter* and *The Vaccine Reaction* journal newspaper published by NVIC distributed 65 editions containing links to over 200 referenced articles and commentaries published on NVIC.org and on TheVaccineReaction.org website during FY2023.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Social Media

Censorship of NVIC by the major social media platforms Facebook, YouTube, Instagram, and Twitter resulted in the deletion of NVIC accounts between March and September 2021 followed by a sudden, unexplained action taken by PayPal in December 2021 to block donations made to NVIC through Network for Good. Although NVIC quickly pivoted to a donation platform and alternative social media platforms that value protection of freedom of thought, speech, and conscience and other civil liberties, the effects of censorship continued in FY2023 to impact the ability of the public to access NVIC's information. These new accounts are growing in followers.

- **Rumble** - In late FY2021, NVIC's educational video library of over 300 videos began migration to the Rumble video platform and that migration continued in FY2023. Videos transferred to NVIC's new Rumble channel appear to be attracting a higher viewership more quickly than NVIC's previous YouTube channel, with lifetime views of NVIC videos on Rumble already totaling nearly three million views.
- **MeWe, Gab, Telegram, Minds, X (formerly Twitter)** - In February 2023, NVIC's account was restored to Twitter (now "X") and has acquired 21,000 followers. Established in 2019 as an alternative to Facebook, there was a seven percent increase in NVIC's MeWe followers from the previous year. Gab, Telegram, and "X" are the most active platforms for NVIC follower engagement. NVIC reaches tens of thousands of people on the new social media platforms, but this online reach is far less than the hundreds of thousands of people NVIC was in contact with before the censorship campaign limiting free speech on the Internet began in 2020 to silence discussions about vaccine policy and law that do not conform with narratives approved by the government and World Health Organization. The censorship campaign led to the elimination of NVIC's Facebook, Instagram, Twitter, and You Tube accounts in 2021, which restricted public access to NVIC's online information.
- **Podcasts** - NVIC's podcasts are hosted on Sound Cloud and iTunes, distributed on mainstream podcast platforms, and available on a variety of streaming platforms. Four commentaries were added to NVIC's library of 54 podcasts with lifetime plays of over 72,000 across 158 stations. During FYE2023, the playing of NVIC podcasts played by third party apps increased by two percent.

Print and Broadcast Media

NVIC is an information resource for journalists seeking an informed consumer perspective on vaccine history, science, policy, law & ethics. During FYE 2023, NVIC's President participated in 19 media print or broadcast interviews or provided comments to the media on vaccine-related topics. Links are posted on NVIC.org.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

I. PUBLIC EDUCATION PROGRAMS (Continued)

Public Speeches and Workshops

NVIC's staff gave speeches and public presentations during this reporting period at conferences, panel discussions, workshops and webinars that provided attendees with information on vaccine safety and informed consent topics.

II. VACCINE CHOICE ADVOCACY PROGRAM

State Activities

The web-based NVIC Advocacy Portal and website created in 2010 maintains accurate, real time information on proposed state and federal vaccine legislation; provides analysis, talking points and recommendations; and connects registered users electronically with their own legislators to help them actively participate in the law making process, a right guaranteed under the U.S. Constitution. Proposed vaccine-related state and federal bills are designated by NVIC as "Bills to Watch" on the Portal if the bills align with NVIC's mission or of they pose a threat to informed, voluntary vaccine decision making. Active monitoring of proposed vaccine-related bills ensures the publishing of accurate bill information and action alerts. Over the past 14 years, NVIC has analyzed, tracked, and issued positions on over 3,000 vaccine-related bills.

For this reporting period, NVIC supported 446 vaccine-related bills and opposed 158 bills. 2023 marks the third consecutive year that NVIC supported more vaccine-related bills than were opposed. No state legislature passed bills in FYE2023 with COVID-19 mandates or mandates for any other vaccine or eliminated vaccine exemptions. The D.C. Council rescinded its COVID-19 vaccine mandate for all public, private, and parochial school students. No state legislature passed a minor consent bill that allows doctors to persuade minor children as young as 11 years old to get vaccinated without the knowledge or consent of their parents. All COVID-19 related bills that were introduced and passed in state legislatures contained provisions to protect liberty and informed consent rights.

III. CONSUMER ADVOCACY AND REPRESENTATION

Federal Vaccine Advisory Committees

Since 1988, NVIC has provided consumer representatives to serve on federal vaccine advisory committees and federal and state public engagement projects, and 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. This includes monitoring and reporting on the actions taken by 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)

(f) Basic Programs: (Continued)

III. CONSUMER ADVOCACY AND REPRESENTATION (Continued)

Federal Vaccine Advisory Committees (Continued)

- **Advisory Commission on Childhood Vaccines (ACCV)** - This federal advisory committee was created by Congress in the National Childhood Vaccine Injury Act of 1986 to provide oversight on the operation of the federal vaccine injury compensation program (VICP). During FYE 2023, NVIC staff monitored and reported on the meetings of the ACCV and provided oral public comments at the September 2022 and March 2023 ACCV meetings, which are available on NVIC.org.
- **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. During FYE 2023, NVIC staff and volunteers monitored and reported on ACIP meetings and a public comment was submitted to the committee related to the addition of mRNA vaccines to the federally recommended childhood vaccine schedule.
- **National Vaccine Advisory Committee (NVAC)** - This committee was created by Congress in the National Childhood Vaccine Injury Act of 1986 to provide oversight on the US vaccination program and is under the administration of the Office of the Assistant Secretary of Health, Department of Health and Human Services. During FYE 2023, NVIC staff and volunteers monitored and reported on NVAC activities.

Vaccines & Related Biological Products Advisory Committee (VRBPAC)

The VRBPAC is a federal advisory committee that makes recommendations to the U.S. Food and Drug Administration (FDA) on the licensure or emergency use authorization of vaccines based on review and evaluation of vaccine safety and efficacy data by VRBPAC members. During FYE 2023, NVIC staff and volunteers monitored and reported on VRBPAC meetings, and a public comment was submitted relating to the use of a new vaccine for the prevention of RSV in infants from birth through six months of age by vaccinating pregnant women.

NVIC Statement for Consumer Financial Protection Bureau

In addition, on Dec. 5, 2022, a referenced public comment was submitted to the Federal Consumer Protection Bureau stating concern over PayPal's discriminatory business practice of suddenly and without explanation refusing to process donations to NVIC on Dec. 21, 2021.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(f) Basic Programs: (Continued)

IV. COUNSELING AND COMMUNITY SUPPORT SERVICE

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

- identify a vaccine reaction;
- report a vaccine reaction to the federal government;
- file for federal vaccine injury compensation;
- find information about state vaccine laws;
- ask doctors questions when making a vaccine decision.; and
- learn more about options to counter coercion and respond to sanctions for attempting to exercise voluntary, informed consent to vaccination.

During FYE 2023, NVIC's Counseling Program responded to over 1,700 calls and over 1,000 email requests for information on vaccines and diseases and from people reporting vaccine reactions or in need of one-on-one support regarding application of coercion or punitive sanctions in a doctor's office, place of employment or other venue for declining use one or more government recommended vaccines.

(g) Functional Expense Allocation Policies and Procedures:

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

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

Costs common to multiple functions have been allocated among various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Personnel expenses for salaries, payroll taxes and employee benefits are allocated based on job descriptions and management estimates of time spent on particular activities.
- Direct costs, where identifiable, are allocated in whole to the appropriate functional category.

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

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(h) Use of Estimates:

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

(i) Fair Value of Certain Financial Instruments:

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

(j) Certificates of Deposit:

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

(k) Right-of-Use ("ROU") Assets (Operating and Finance Leases):

A right-of-use asset is measured at the commencement date of a lease at the amount of the initially measured liability plus any lease payments made to the lessor at or before the commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight-line basis over the lease term. Finance Lease ROU assets are amortized on a straight-line basis of the shorter of the lease term or the remaining useful life of the asset.

(l) Lease Liability:

The Organization accounts for leases in accordance with FASB ASC Topic 842. The Organization is a lessee in a noncancellable operating lease for building space rental. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use Asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use Asset result in straight-line rent expense over the lease term. Variable lease expenses, if any, are recognized when incurred. For financing leases, amortization of the right-of-use Asset is recorded on the straight-line basis and is reflected as amortization expense. Finance lease liabilities are increased by interest and reduced by payments each period.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

(l) Lease Liability: (Continued)

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date.

Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options or amounts that are probable of being owed under a residual value guarantee.

The discount rate used for determining and adjusting the lease liability is the rate implicit in the lease if it is readily determinable. If the implicit rate is not determinable, nonpublic entities have the option to apply their respective incremental borrowing rate or elect to apply the ASC 842 "Risk-free rate expedient." The risk-free rate would be based on the borrowing rate for the US Federal Government or a similar entity, for a period comparable to the lease term.

The nonpublic entity can make the election by class of underlying asset. Once the entity makes this accounting election, it must use the risk-free rate for elected class(es) of underlying asset(s), which may not be negative, for all of its leases going forward. The National Vaccine Information Center has made an accounting policy election to utilize the "Risk-free rate expedient," as published by the U.S. Treasury.

3. CHANGE IN ACCOUNTING PRINCIPLES:

Effective September 1, 2022, the Organization adopted the Financial Accounting Standard Board's Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, as amended. This guidance is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months. Key provisions in this guidance include additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted FASB ASC Topic 842, with an initial application of September 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. The Organization elected not to restate prior comparative periods as provided under ASC Topic 842, and instead evaluated whether a cumulative effect adjustment to net assets as of September 1, 2022, was necessary for the cumulative impact of the adoption of FASB ASC Topic 842.

In applying the provisions of FASB ASC Topic 842, the Organization determined if an arrangement contained a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. In addition, the Organization assessed the allocation of consideration within a contract containing a lease for appropriate accounting treatment.

The adoption of FASB ASU 2016-02 did not have a material impact on the Organization's statement of activities.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

3. CHANGE IN ACCOUNTING PRINCIPLES: (Continued)

As part of the transition, the Organization implemented new controls and key system functionality to enable the preparation of financial information on adoption and elected to apply the following practical expedients:

“Package of Three” Transition Relief

- No reassessment of whether any expired or existing contracts contain a lease,
- No reassessment of the lease classification for any expired or existing leases, and
- No reassessment of initial direct costs for any existing leases as of the effective date.

Policy Elections Beyond Initial Year of Transition

- In calculating the right-of-use assets and lease liabilities, the Organization has elected to combine lease and non-lease components (except for building leases), and
- As an accounting policy, the Organization has elected to apply the short-term lease exception to all leases having initial terms of 12 months or less and recognizes rent expense on a straight-line basis over the lease term.
- As an accounting policy, the Organization has elected the risk-free discount rate to be applied to all leases.

The National Vaccine Information Center has chosen not to elect the “Hindsight Expedient.”

4. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

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

	<u>2023</u>	<u>2022</u>
Financial Assets at Year End:		
Cash and Cash Equivalents	\$ 640,550	\$ 533,358
Investments	839,578	831,265
Certificates of Deposit	1,939,382	2,063,256
Accounts Receivable	25,173	3,075
Promises to Give	<u>4,913</u>	<u>6,329</u>
Total Financial Assets	<u>\$ 3,449,596</u>	<u>\$ 3,437,283</u>
Less Amounts Not Available for General Expenditure Within One Year	<u>\$ -</u>	<u>\$ -</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 3,449,596</u>	<u>\$ 3,437,283</u>

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

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

5. 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, 2023, 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, 2023, the statute of limitations for tax years 2019 through 2021 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, 2023, the Organization had no accruals for interest and/or penalties.

6. 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:

	2023	2022
Non-Interest Bearing Checking Account	\$ 304,895	\$ 447,201
Interest Bearing Checking Account	88	86,145
Savings Accounts	335,567	12
Total	\$ 640,550	\$ 533,358

Certificates of Deposit

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

	2023	2022
Certificates of Deposit	\$ 1,939,382	\$ 2,063,256

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, savings accounts, and certificates of deposit. These accounts are covered under either the Federal Deposit Insurance Corporation (FDIC) program or the National Credit Union Administration (NCUA) program. Deposits held in non-interest bearing transaction accounts are aggregated with any interest bearing deposits and the combined total insured up to \$250,000 per banking institution.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

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

As of August 31, 2023 and 2022, \$289,468 and \$288,342, respectively, of the bank balance was deposited in excess of 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.

7. INVESTMENTS:

The National Vaccine Information Center invested in a fixed income annuity during the year ended August 31, 2016, for which it is the owner and beneficiary. 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. Maturity is scheduled for June 2025, when the surrender period ends. The National Vaccine Information Center has the intent and ability to hold its investment securities until maturity. Investments were not impaired during or subsequent to the period ended August 21, 2023. A comparison of the carrying value of this investment at year end was as follows:

<u>August 31, 2023</u>	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Fixed Income Annuities	\$ 839,578	\$ -	\$ -	\$ 839,578
Totals	<u>\$ 839,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 839,578</u>
 <u>August 31, 2022</u>				
	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>
Fixed Income Annuities	\$ 831,265	\$ -	\$ -	\$ 831,265
Totals	<u>\$ 831,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 831,265</u>

The composition of investment return during the years ended August 31, 2023 and 2022 consisted of the following:

	<u>2023</u>	<u>2022</u>
Interest and Dividends - Annuities	\$ 8,313	\$ 8,230
Interest and Dividends - Other	52,722	11,415
Realized Gain on Sale of Investments	<u>-</u>	<u>549</u>
Totals	<u>\$ 61,035</u>	<u>\$ 20,194</u>

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

8. FAIR VALUE MEASUREMENTS:

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

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

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability (such as interest rate and yield curves);
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable (supported by little or no market activity) and not corroborated by market data. Unobservable inputs reflect the Organization's estimate of what hypothetical market participants would use to determine a transaction price for the asset or liability at the reporting date.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at August 31, 2023.

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

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

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

8. FAIR VALUE MEASUREMENTS: (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of August 31, 2023 and 2022.

<u>August 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income Annuities	\$ 839,578	\$ -	\$ -	\$ 839,578
Total Investments	<u>\$ 839,578</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 839,578</u>
<u>August 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fixed Income Annuities	\$ 831,265	\$ -	\$ -	\$ 831,265
Total Investments	<u>\$ 831,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 831,265</u>

9. ACCOUNTS RECEIVABLE AND PROMISES TO GIVE:

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>2023</u>	<u>2022</u>
Interest	\$ 25,173	\$ 3,075
Total Accounts Receivable	<u>\$ 25,173</u>	<u>\$ 3,075</u>

The National Vaccine Information Center's accounts receivable consists of unsecured amounts due from program participants and funding sources whose ability to pay is subject to changes in general economic conditions. Because the Organization does not require collateral, it is at credit risk for the balance of the accounts receivable as of August 31, 2023 and 2022.

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, 2023 and 2022.

Trade receivables related to program service fees are recognized as revenue on the accrual basis of accounting at the time the program activity has occurred. Credit is extended for a period of 60 days with no interest accrual at which time payment is considered delinquent. Trade receivables are written off as uncollectable once management determines that available collection efforts are exhausted.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

9. ACCOUNTS RECEIVABLE AND PROMISES TO GIVE: (Continued)

Promises to Give

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Promises to give represent amounts committed by donors that have not been received by the Organization. The Organization uses the allowance method to determine uncollectible promises to give. Promises to give at year end consisted of the following:

	2023	2022
Unrestricted General Support	\$ 4,913	\$ 6,329
Total Promises to Give	\$ 4,913	\$ 6,329

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

10. FIXED ASSETS:

Furniture and equipment are recorded at cost or, in the case of contributed property, at the fair market value at the date of contribution. If an expenditure in excess of \$500 results in an asset having an estimated useful life, which extends substantially beyond the year of acquisition, the expenditure is capitalized at cost and depreciated over the estimated useful life of the asset. Maintenance and repairs are charged to expenses as incurred. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected in income for the period. Depreciation has been provided on the straight-line method over the estimated useful lives of the assets. Depreciation and amortization expense for the years ended August 31, 2023 and 2022 was \$54,451 and \$40,554, respectively. Major classifications of fixed assets and their estimated useful lives are as summarized below:

August 31, 2023

	Depreciable Life	Cost	Accumulated Depreciation	Net Book Value
Computer Equipment	3 Years	\$ 173,476	\$ 98,762	\$ 74,714
Office Furniture	3-5 Years	25,520	24,453	1,067
Leasehold Improvements	Life of Lease	3,885	3,885	-
Totals		\$ 202,881	\$ 127,100	\$ 75,781

August 31, 2022

	Depreciable Life	Cost	Accumulated Depreciation	Net Book Value
Computer Equipment	3 Years	\$ 182,421	\$ 57,178	\$ 125,243
Office Furniture	3-5 Years	25,520	22,837	2,683
Leasehold Improvements	Life of Lease	3,885	3,885	-
Totals		\$ 211,826	\$ 83,900	\$ 127,926

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

11. COMMITMENTS:

Office Lease - Sterling

The National Vaccine Information Center entered into a lease agreement on April 29, 2013, for the rental of office space located at 21525 Ridgetop Circle, Sterling, Virginia. The lease term commenced on June 10, 2013, and expired on August 9, 2018. Monthly rental payments of \$2,291 began on September 1, 2013, after a two-month abatement period. An amendment to the lease was entered into, extending the lease for an additional five years ending August 31, 2023. The monthly rental payments are \$2,291 for the first year with increases annually each year thereafter of three percent (3%).

On May 22, 2023, the Organization signed a second amendment to the lease which extended the lease term through August 31, 2026. Base monthly rental payments effective June 1, 2023, were \$2,762.

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.

This lease agreement was recorded in accordance with ASC Topic 842 and resulted in the recognition of \$100,481 of an operating lease right-of-use (“ROU”) asset and a total of \$100,957 of current and long-term operating lease liabilities on the statements of financial position as of June 1, 2023.

Rental expense related to this lease for the years ended August 31, 2023 and 2022 was as follows.

	2023	2022
Rent - Base	\$ 32,074	\$ 31,764
Operating Expenses	3,377	4,063
Total Rent Expense	\$ 35,451	\$ 35,827

The following summarizes the line items in the statement of financial position that include amounts for operating leases as of August 31, 2023:

	2023
Operating Lease Right-of-Use Assets	\$ 93,202
Prepaid Rent Included in Right-of-Use Assets	2,762
Carrying Value of Right-of-Use Assets	\$ 95,964
Operating Lease Liability, Current	\$ 29,993
Operating Lease Liability, Non-Current	63,649
Total Operating Lease Liability	\$ 93,642

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

11. COMMITMENTS: (Continued)

Quantitative Lease Disclosures Summary

The following summarizes certain presented and additional quantitative lease disclosures required under ASC Topic 842:

	2023
<u>Lease Cost</u>	
Operating Lease Cost	\$ 8,250
Short-term Lease Cost	31,725
Variable Lease Cost	3,377
Total Lease Cost	\$ 43,352
<u>Other Information</u>	
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liability	\$ 100,481
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flow from Operating Leases	\$ 7,315
Weighted-Average Remaining Lease Term-Operating Leases	3 years
Weighted-Average Discount Rate-Operating Leases	3.95%
Maturity Analysis for Operating Lease Liabilities:	
Undiscounted Cash Flows:	
2024	\$ 33,149
2025	33,149
2026	33,149
Total Payments	\$ 99,447
Less: Interest	(5,805)
Present Value of Operating Lease Liability	\$ 93,642

12. CONCENTRATIONS:

Based on the nature and purpose of the National Vaccine Information Center, significant revenues are received through parties interested in promoting the health and welfare of the public, its research and education programs. During the year ended August 31, 2023, an amount of \$493,710, which represents thirty percent (30%) of total financial support, was received in the form of contributions from two separate donors. During the year ended August 31, 2022, an amount of \$907,314, which represents forty-two percent (42%) of total financial support, was received in the form of contributions from two separate donors.

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

13. CONTINGENCIES:

Program Support

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

14. RELATED PARTY TRANSACTIONS:

Contributions Made

Various board members and employees of the National Vaccine Information Center gave contributions during the years ended August 31, 2023 and 2022 to the Organization in the amount of \$7,051 and \$2,926, respectively.

Other

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

15. SUBSEQUENT EVENTS:

Financial Statement Preparation

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through June 20, 2024, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

16. JOINT COST ACTIVITIES:

The National Vaccine Information Center achieves some of its programmatic and management and general goals through direct mail campaigns that include requests for contributions. The costs of conducting those campaigns during the years ended August 31, 2023 and 2022 included a total of \$20,551 and \$37,761, 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>2023</u>	<u>2022</u>
Educational	\$ 16,554	\$ 30,641
Fundraising	<u>3,997</u>	<u>7,120</u>
Total Joint Costs	<u>\$ 20,551</u>	<u>\$ 37,761</u>

NATIONAL VACCINE INFORMATION CENTER
NOTES TO FINANCIAL STATEMENTS

17. FUNDRAISING:

During the years ended August 31, 2023 and 2022, expenses in the amount of \$49,172 and \$49,954, respectively, were incurred for the purposes of fundraising.

18. ADVERTISING COSTS:

Advertising and marketing costs are expensed when incurred. Marketing activities were conducted for the purpose of promoting the Organization's mission. Marketing expenses in the amount of \$44,409 and \$105,611 were incurred during the years ended August 31, 2023 and 2022, respectively.

19. EMPLOYEE BENEFITS:

The cost of fringe benefits incurred consisted of the following:

	<u>2023</u>	<u>2022</u>
Social Security/Medicare	\$ 70,017	\$ 63,373
State Unemployment Tax	548	970
Worker's Compensation	2,306	2,006
DeMinimus and Wellness	<u>3,468</u>	<u>992</u>
Total Fringe Benefits	<u>\$ 76,339</u>	<u>\$ 67,341</u>