

AUDITED FINANCIAL STATEMENTS

**ASSOCIATION OF HEALTH
CARE JOURNALISTS, INC.
COLUMBIA, MISSOURI**

JUNE 30, 2021 AND 2020



2501 W Ash St Ste. A, Columbia, MO 65203

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
COLUMBIA, MISSOURI
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INDEPENDENT AUDITORS' REPORT

February 6, 2022

Board of Directors
Association of Health Care Journalists, Inc.
Columbia, Missouri

Opinion

We have audited the financial statements of Association of Health Care Journalists, Inc., which comprise of financial position as of June 30, 2021, and 2020, and the related statement of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Association of Health Care Journalists, Inc. as of June 30, 2021 and 2020 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Association of Health Care Journalists Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related 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 the 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 Association of Health Care Journalists Inc's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance. Therefore, it is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of Association of Health Care Journalists Inc'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Association of Health Care Journalist Inc'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.



Robin Wassman, CPA

Columbia, MO

Association of Health Care Journalists, Inc
Statement of Financial Position
June 30, 2021 and 2020

	<u>ASSETS</u>	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 793,948	\$ 933,119
Investments	1,445,487	996,337
Accounts receivable	5,700	-
Prepaid insurance	492	-
	<u>\$ 2,245,627</u>	<u>\$ 1,929,456</u>
TOTAL ASSETS:	<u>\$ 2,245,627</u>	<u>\$ 1,929,456</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable	\$ 105,141	\$ -
	<u>\$ 105,141</u>	<u>\$ -</u>
TOTAL LIABILITIES:	<u>\$ 105,141</u>	<u>\$ -</u>
NET ASSETS:		
Without donor restrictions	\$ 2,140,486	\$ 1,929,456
	<u>\$ 2,140,486</u>	<u>\$ 1,929,456</u>
TOTAL NET ASSETS:	<u>\$ 2,140,486</u>	<u>\$ 1,929,456</u>
TOTAL LIABILITIES AND NET ASSETS:	<u>\$ 2,245,627</u>	<u>\$ 1,929,456</u>

The accompanying notes are an integral part of these financial statements.

Association of Health Care Journalists, Inc

Statement of Activities

For the Years Ended June 30, 2021 and 2020

	2021	2020
SUPPORT AND REVENUES:		
Membership dues	\$ 64,457	\$ 63,723
Conference income	8,999	26,120
Sponsorship advertising	13,277	9,680
Contest income	25,315	26,060
Investment income	199,513	63,461
Miscellaneous income	1,238	-
	<u>312,799</u>	<u>189,044</u>
PROGRAM EXPENSES:		
Bank and credit card fees	3,871	8,748
Chapter support	-	399
Computer service	2,882	1,266
Contests	10,655	11,655
Contract labor	-	1,239
Dues and subscriptions	-	1,466
Insurance	208	251
Labor	67,543	116,035
Marketing	900	-
Office supplies	-	238
Overhead	2,152	-
Postage and delivery	1,057	-
Printing and reproduction	532	-
Professional fees	4,000	3,550
Website	7,969	4,300
	<u>101,769</u>	<u>149,147</u>
CHANGE IN NET ASSETS:	211,030	39,897
NET ASSETS, BEGINNING:	<u>1,929,456</u>	<u>1,889,559</u>
NET ASSETS, ENDING:	<u>2,140,486</u>	<u>1,929,456</u>

The accompanying notes are an integral part of these financial statements.

Association of Health Care Journalists, Inc.

Statement of Cash Flows For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 211,030	\$ 39,897
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Realized and unrealized loss (gain) on investments	(373,779)	(38,860)
Changes in assets and liabilities:		
(Increase)/decrease in Prepaid expenses	(492)	-
(Increase)/decrease in Accounts receivable	(5,700)	-
Increase/(decrease) in Accounts payable	105,141	-
	(274,830)	(38,860)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(63,800)	1,037
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	(75,371)	(73,137)
NET CASH FROM USED BY INVESTING ACTIVITIES	(75,371)	(73,137)
CHANGE IN CASH	(139,171)	(72,100)
CASH, BEGINNING OF YEAR	933,119	1,005,219
CASH, END OF YEAR	793,948	933,119

The accompanying notes are an integral part of these financial statements.

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021, AND 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of the Association – The Association of Health Care Journalists, Inc. (the Association) is a non-profit corporation, organized in 2005, that focuses on creating a vibrant community of health journalists, raising the stature of health journalism, and advocating the free flow of information to the public.

Basis of Accounting – The Association presents its financial statements on the accrual basis of accounting with revenues recognized when earned and expenses recognized when incurred.

Cash and Cash Equivalents – For purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand and cash held in checking and money market accounts. The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Income Tax Status – The Association of Health Care Journalists, Inc. qualifies as a tax-exempt corporation under Section 501(c)(6) of the U.S. Internal Revenue Code and is not a private foundation pursuant to Section 509(a) of the Code.

Contributions – All contributions are considered to be available for the general program of the Association unless specifically restricted by the donor. The Association reports gifts of cash and other assets as net assets with donor restriction if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires or is used for the intended purpose, the 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. Contributions that are restricted by the donors are reported as an increase in Net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are received.

Contributed Goods and Services – The Association reports amounts in the financial statements for voluntary donations of goods and services when those goods or services create or enhance non-financial assets or require specialized skills provided by individuals possessing those skills. Those goods and services would be typically purchased if not provided by donation and the amounts involved can be objectively measured. The Association does not record any amounts of donated space from the University of Missouri – Columbia, where the offices of the Association are located. Management has not attempted to determine the value of the University of Missouri – Columbia donated space.

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2021, AND 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates – Preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates. The nature of those estimates may vary from actual results.

Functional Expenses – The costs of providing the program and activities have been fully allocated among the program as the related Association does all the administrative and fundraising work for the Association. All expenses listed on the Statement of Activities are considered functional expenses of the program.

Related Entity – The Center for Excellence in Health Care Journalism (the Center) is a related entity to the Association. The Center is a 501(c)(3) Association under the Internal Revenue Code. Salaries and operating expenses are allocated between the two entities based upon estimated time, effort, and supplies required by each entity. As of June 30, 2020, the Association did not owe the Center any money. However as of June 30, 2021, the Association owed the Center \$105,141 (included in Accounts payable) for reimbursement of shared expenses. In addition, the Center owed the Association \$5,700 (included in Accounts receivable) for donations collected on behalf of the Association.

Net Assets – The Association has followed the Financial Accounting Standards Board (FASB) pronouncement No. 2016-14, released August 2016, and effective for fiscal years beginning after December 15, 2017. The Association reports information regarding its financial position and activities according to two classes of net assets: Without donor restrictions and With donor restrictions. For the years ending June 30, 2021, and 2020 all net assets were Without donor restriction.

Prior Year Information – Certain prior year information has been changed to conform to the current year presentation.

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2021, AND 2020

NOTE 2: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed of the following at June 30:

	2021	2020
Checking account	\$ 246,188	\$ 385,467
Money Market	547,760	547,652
Total cash and cash equivalents	<u>\$ 793,948</u>	<u>\$ 993,119</u>

The checking account is non-interest bearing. The money market accounts have interest rates ranging between 0.05% and 0.65% at June 30, 2021.

NOTE 3: CASH/CONCENTRATION OF CREDIT RISK

The Association's cash and cash equivalents are with high quality financial institutions. The bank balance at one of the banking institutions as of June 30, 2021, is in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. The Association's main checking and money market accounts have bank balances totaling \$448,939 as of June 30, 2021. This leaves an unsecured balance in the amount of \$198,939.

NOTE 4: INVESTMENTS

Investments consist of the following at June 30:

2021	Cost	Fair Value
Certificate of Deposit with maturity date of October 20, 2021	\$ 202,752	\$ 202,752
Certificate of Deposit with maturity date of November 8, 2021	223,695	223,695
Vanguard Balanced Index Fund	688,020	1,019,040
Total Investments	<u>\$ 1,114,467</u>	<u>\$ 1,445,487</u>
2020		
Certificate of Deposit that matured in September 2020	\$ 221,853	\$ 221,853
Vanguard Balanced Index Fund	612,649	774,484
Total Investments	<u>\$ 834,502</u>	<u>\$ 996,337</u>

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2021, AND 2020

NOTE 4: INVESTMENTS (Continued)

Investment income consist of the following for the year ended June 30:

	2021	2020
Interest income	\$ 4,957	\$ 6,753
Dividends	31,683	17,848
Realized gain (loss)	22,392	-
Unrealized gain (loss)	140,481	38,860
Total investment income	\$ 199,513	\$ 63,461

NOTE 5: FAIR VALUE OF FINANCIAL INSTRUMENTS

Assets and liabilities measured at a fair value on a recurring basis – The Association reports investments in accordance with Accounting Standards Codification 820-10, Fair Value Measurements and Disclosures. ASC 820-10 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820-10 applies to reported balances that are required or permitted to be measured at fair value under existing accounting pronouncements; accordingly, the standard does not require any new fair value measurements of reported balances.

ASC 820-10 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, ASC 820-10 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). All of the Association's investments are stated at fair values based on quoted prices in active markets for identical assets, which is the Level 1 hierarchy.

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 2021, AND 2020

NOTE 5: FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The following are the major categories of investments held by the Association:

June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Marketable securities				
Vanguard Balanced Index Fund	\$ 1,019,040	\$ -	\$ -	\$ 1,019,040
Total Marketable securities	<u>\$ 1,019,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,019,040</u>
June 30, 2020				
Marketable securities				
Vanguard Balanced Index Fund	\$ 774,484	\$ -	\$ -	\$ 774,484
Total Marketable securities	<u>\$ 774,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 774,484</u>

Fair value of financial instruments

Due to their short-term nature, the carrying value of cash, investments in certificates of deposits, short-term receivables, and accounts payable, approximate their fair value at June 30, 2021 and 2020.

NOTE 6: SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 6, 2022, the date on which the financial statements were available to be issued.

NOTE 7: ECONOMIC UNCERTAINTY

In March 2020, the outbreak of COVID-19 resulted in economic uncertainties that impacted the Association's operations due to shutdowns nationwide. The duration of the pandemic and the related financial impact on the Association cannot be reasonably estimated at this time.