

AUDITED FINANCIAL STATEMENTS
**CENTER FOR EXCELLENCE IN HEALTH
CARE JOURNALISM
COLUMBIA, MISSOURI**
JUNE 30, 2021 AND 2020



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

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
COLUMBIA, MISSOURI
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INDEPENDENT AUDITORS' REPORT

May 13, 2022

Board of Directors
Center for Excellence in Health Care Journalism
Columbia, Missouri

Opinion

We have audited the financial statements of Center for Excellence in Health Care Journalism, which comprise the statement of financial position as of June 30, 2021, and 2020, 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 accompanying financial statements present fairly, in all material respects, the financial position of Center for Excellence in Health Care Journalism 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 Center for Excellence in Health Care Journalism and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement 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.

Other Matter

The financial statements of Center for Excellence in Health Care Journalism for the year ended June 30, 2020, before the restatement described in Note 12, were audited by another auditor whose report dated January 4, 2021 expressed an unmodified opinion on those statements. As part of our audit of the June 30, 2021 financial statements, we also audited the adjustment described in Note 12. This was applied to restate the 2020 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2020 financial statements of the entity other than with respect to the adjustment. Accordingly, we do not express an opinion or any other forms of assurance on the 2020 financial statements as a whole.

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 controls 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 for events, considered in the aggregate, which raise substantial doubt about Center for Excellence in Health Care Journalism'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 and therefore 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, misrepresentation, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 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 disclosure 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 Center for Excellence in Health Care Journalism'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, which raise substantial doubt about Center for Excellence in Health Care Journalism'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, Missouri

Center for Excellence in Health Care Journalism
Statement of Financial Position
June 30, 2021, and 2020

	<u>ASSETS</u>	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 2,596,198	\$ 2,367,274
Investments	249,895	249,895
Grants and accounts receivable	220,484	241,332
Prepaid expenses	108,856	-
Fixed assets, net of accumulated depreciation	-	-
	<u>3,175,433</u>	<u>2,858,501</u>
TOTAL ASSETS:	<u>\$ 3,175,433</u>	<u>\$ 2,858,501</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable	\$ 37,125	\$ -
Deferred revenue	274,980	224,200
TOTAL LIABILITIES:	<u>\$ 312,105</u>	<u>\$ 224,200</u>
NET ASSETS:		
Without donor restrictions	\$ 1,960,283	\$ 1,724,090
With donor restrictions	903,045	910,211
TOTAL NET ASSETS:	<u>\$ 2,863,328</u>	<u>\$ 2,634,301</u>
TOTAL LIABILITIES AND NET ASSETS:	<u>\$ 3,175,433</u>	<u>\$ 2,858,501</u>

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

Center for Excellence in Health Care Journalism
Statement of Activities
For the Year Ended June 30, 2021
(With Summarized Totals for the Year Ended June 30, 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUES:				
Contributions	\$ 18,429	\$ -	\$ 18,429	\$ 12,376
Program sponsors and grants	89,182	943,835	1,033,017	1,113,685
Miscellaneous income	-	-	-	103,068
Investment income	5,784	-	5,784	7,553
Net Assets released from restrictions	951,001	(951,001)	-	-
TOTAL SUPPORT AND REVENUES:	\$ 1,064,396	\$ (7,166)	\$ 1,057,230	\$ 1,236,682
EXPENSES:				
Program services	\$ 819,650	\$ -	\$ 819,650	\$ 960,451
Management and general	6,780	-	6,780	9,606
Fundraising	1,773	-	1,773	4,638
TOTAL EXPENSES:	\$ 828,203	\$ -	\$ 828,203	\$ 974,695
CHANGE IN NET ASSETS:	\$ 236,193	\$ (7,166)	\$ 229,027	\$ 261,987
NET ASSETS, BEGINNING:	\$ 1,724,090	\$ 910,211	\$ 2,634,301	\$ 2,372,314
NET ASSETS, ENDING:	\$ 1,960,283	\$ 903,045	\$ 2,863,328	\$ 2,634,301

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

Center for Excellence in Health Care Journalism
Statement of Activities
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:			
Contributions	\$ 12,376	\$ -	\$ 12,376
Program sponsors and grants	338,346	775,339	1,113,685
Miscellaneous income	103,068	-	103,068
Investment income	7,553	-	7,553
Net Assets released from restrictions	721,922	(721,922)	-
TOTAL SUPPORT AND REVENUES:	\$ 1,183,265	\$ 53,417	\$ 1,236,682
EXPENSES:			
Program services	\$ 960,451	\$ -	\$ 960,451
Management and general	9,606	-	9,606
Fundraising	4,638	-	4,638
TOTAL EXPENSES:	\$ 974,695	\$ -	\$ 974,695
CHANGE IN NET ASSETS:	\$ 208,570	\$ 53,417	\$ 261,987
NET ASSETS, BEGINNING:	\$ 1,515,520	\$ 856,794	\$ 2,372,314
NET ASSETS, ENDING:	\$ 1,724,090	\$ 910,211	\$ 2,634,301

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

Center for Excellence in Health Care Journalism
Statement of Functional Expenses for the Year Ended June 30, 2021
(With Summarized Totals For the Year Ended June 30, 2020)

	2021			Total	2020 Total
	Program Services	Management and General	Fundraising		
Bank and credit card charges	\$ 210	\$ 103	\$ 35	\$ 348	\$ 416
Dues and subscriptions	175	1,025	-	1,200	2,470
Education and training	-	237	-	237	182
Small equipment	1,471	1,213	-	2,684	2,150
Insurance	2,491	-	-	2,491	7,174
Conference	74,250	-	-	74,250	30,669
Journalist assistance	-	-	-	-	840
Miscellaneous	1,829	2,169	-	3,998	5,684
Postage and delivery	2,721	-	-	2,721	4,929
Printing and reproduction	2,576	575	-	3,151	3,823
Professional fees	171,178	-	-	171,178	99,990
Marketing	4,998	-	-	4,998	2,591
Fellowship expense	(4,167)	-	-	(4,167)	132,755
Website and list serve expenses	4,069	-	-	4,069	13,082
Travel	85	142	-	227	32,432
Reimbursed expenses	17,001	-	-	17,001	1,260
Speakers	(4)	-	-	(4)	32,997
Mentors	350	-	-	350	1,762
Materials and supplies	1,150	319	-	1,469	3,472
Telephone	3,342	-	-	3,342	3,554
Contract labor	25,250	-	-	25,250	-
Labor	510,675	997	1,738	513,410	592,463
Total Expenses	\$ 819,650	\$ 6,780	\$ 1,773	\$ 828,203	\$ 974,695

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

Center for Excellence in Health Care Journalism
Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services	Management and General	Fundraising	Total
Bank and credit card charges	\$ 150	\$ 266	\$ -	\$ 416
Dues and subscriptions	-	2,470	-	2,470
Education and training	182	-	-	182
Small equipment	2,085	65	-	2,150
Insurance	7,174	-	-	7,174
Conferences	30,669	-	-	30,669
Journalist assistance	840	-	-	840
Miscellaneous	5,527	-	157	5,684
Postage and delivery	4,791	138	-	4,929
Printing and reproduction	3,747	76	-	3,823
Professional fees	99,990	-	-	99,990
Marketing	2,591	-	-	2,591
Fellowship expense	132,755	-	-	132,755
Website and list serve expenses	13,082	-	-	13,082
Travel	30,128	65	2,239	32,432
Reimbursed expenses	-	1,260	-	1,260
Speakers	32,997	-	-	32,997
Mentors	1,762	-	-	1,762
Materials and supplies	3,225	247	-	3,472
Telephone	3,554	-	-	3,554
Labor	585,202	5,019	2,242	592,463
Total Expenses	<u>\$ 960,451</u>	<u>\$ 9,606</u>	<u>\$ 4,638</u>	<u>\$ 974,695</u>

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

Center for Excellence in Health Care Journalism

Statement of Cash Flows

For the Years Ended June 30, 2021, and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 229,027	\$ 261,987
Changes in assets and liabilities:		
(Increase) decrease in Grants and accounts receivable	\$ 20,848	\$ (190,853)
(Increase) decrease in Prepaid expenses	(108,856)	-
Increase (decrease) in Accounts payable	37,125	(436,360)
Increase (decrease) in Deferred revenue	50,780	224,200
Total Changes	<u>\$ (103)</u>	<u>\$ (403,013)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 228,924</u>	<u>\$ (141,026)</u>
CHANGE IN CASH	<u>\$ 228,924</u>	<u>\$ (141,026)</u>
CASH, BEGINNING OF YEAR	<u>\$ 2,367,274</u>	<u>\$ 2,508,300</u>
CASH, END OF YEAR	<u><u>\$ 2,596,198</u></u>	<u><u>\$ 2,367,274</u></u>

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

Center for Excellence in Health Care Journalism
Notes to Financial Statements
For the Years Ended June 30, 2021, and 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of the Organization – The Center for Excellence in Health Care Journalism (the Center) is a non-profit corporation which was organized in 2004 to help train journalists to better cover all aspects of health care.

Basis of Accounting – The Center 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 Center considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Income Tax Status – The Center for Excellence in Health Care Journalism qualifies as a tax-exempt corporation under Section 501(c)(3) 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 Center unless specifically restricted by the donor. The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of 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. Contributions that are restricted by the donor 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 Center 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. These goods and services would be typically purchased if not provided by donation and the amounts involved can be objectively measure. The Center does not record any amounts of the donated space from the University of Missouri – Columbia, where the offices of the Center are located.

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, however, is such that variances in actual results are generally immaterial.

Center for Excellence in Health Care Journalism
Notes to Financial Statements (Continued)
For the Years Ended June 30, 2021, and 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Expenses – The costs of providing the program and supporting activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services.

Related Entity – The Association of Health Care Journalists (Association) is a related entity to the Center. The Association is a membership organization as a 501(c)(6) organization 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, 2021, the Association owed Center \$105,141 (included in Accounts receivable) for reimbursement of shared expenses. In addition, the Center owed Association \$5,700 (included in Accounts payable) for membership dues and advertising revenue collected on behalf of the Association.

Net Assets – The Center 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 Center reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Assets without donor-imposed restrictions, including assets designated for specific use by the Center's board of directors, are included in net assets without donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restricted support is reported as an increase in net assets without donor restrictions if the restriction expires or condition is met in the reporting period in which the support is recognized.

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

Center for Excellence in Health Care Journalism
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 as of June 30:

	2021	2020
Checking accounts	\$ 1,125,977	\$ 948,186
Money market accounts	1,470,221	1,419,088
Total Cash and Cash Equivalents	<u>\$ 2,596,198</u>	<u>\$ 2,367,274</u>

The checking account is non-interest bearing. The four money market accounts have interest rates ranging between 0.05% and 0.40% as of June 30, 2021.

NOTE 3: CASH/CONCENTRATION OF CREDIT RISK

The Center's cash and cash equivalents are with five high quality financial institutions. There are two of these financial institutions that have funds in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 at June 30, 2021. The total in excess is \$1,909,735

NOTE 4: INVESTMENTS

Investments consist solely of one certificate of deposit in an FDIC banking institution that matures in July 2021.

NOTE 5: FAIR VALUE OF FINANCIAL INSTRUMENTS

Due to their short-term nature, the carrying value of cash, investments in certificate of deposit, short-term receivables, accounts payable, and other liabilities, approximates their fair value at June 30, 2021.

NOTE 6: GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivables total \$220,484 and \$241,332 at June 30, 2021, and 2020, respectively. The amounts are considered fully collectable.

Center for Excellence in Health Care Journalism
Notes to Financial Statements (Continued)
For the Years Ended June 30, 2021, and 2020

NOTE 7: EQUIPMENT AND ACCUMULATED DEPRECIATION

The equipment is recorded at cost if purchased and at fair market value on the date of the gift if received by donation. Depreciation is calculated using the straight-line method over a period of 3-10 years. Fixed assets consist of the following at June 30, 2021, and 2020.

	<u>2021</u>	<u>2020</u>
Equipment	\$ 8,625	\$ 8,625
Less: Accumulated Depreciation	(8,625)	(8,625)
Net Equipment	<u>-</u>	<u>-</u>

NOTE 8: RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Fellowships	\$ 621,004	\$ 531,295
Publications and web data	20,000	14,345
Workshops	66,000	84,639
Core curriculum	196,041	279,932
Total Net assets with donor restrictions	<u>\$ 903,045</u>	<u>\$ 910,211</u>

NOTE 9: SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 13, 2022, the date on which the financial statements were available to be issued.

NOTE 10: ECONOMIC UNCERTAINTY

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

NOTE 11: LIQUIDITY

The Statement of Financial Position lists assets in sequencing order of nearness of conversion to cash and liabilities according to nearness of their maturity.

Center for Excellence in Health Care Journalism
Notes to Financial Statements (Continued)
For the Years Ended June 30, 2021, and 2020

NOTE 12: PRIOR PERIOD ADJUSTMENT

In the prior year deferred revenue for advertising and attendance passes at the conference was included in restricted net assets. During the current audit, it was determined that \$224,200 of Net assets with donor restrictions was actually deferred revenue to be earned when the conference takes place. The adjustment made reduced Program sponsors and grants (income) and increased Deferred revenue (liability). Since these funds were not earned revenue, they are not included in Net assets.