

AUDITED FINANCIAL STATEMENTS

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

JUNE 30, 2022 AND 2021

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**BEARD & ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
COLUMBIA, MISSOURI**

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

	<u>Page</u>
Independent Auditors' Report	1 – 2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6 – 9

June 7, 2023

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Association of Health Care Journalists, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. The Financial statement of the Association of Health Care Journalists, Inc. as of June 30, 2021, and for the year then ended were audited by other auditors. Those auditors expressed an unqualified opinion on those financial statements in their report dated February 6, 2022.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Association of Health Care Journalists, Inc. as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the year 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. 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 Association of Health Care Journalists, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Association of Health Care Journalists, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

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, including omissions, 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association of Health Care Journalists, 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.

Beard & Associates, PC

Beard & Associates, PC
Columbia, MO

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
<u>ASSETS</u>		
ASSETS:		
Cash and cash equivalents	\$ 857,822	\$ 793,948
Investments	1,319,091	1,445,487
Accounts receivable	38,957	5,700
Prepaid insurance	983	492
TOTAL ASSETS	\$ 2,216,853	\$ 2,245,627
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Accounts payable	\$ 142,501	\$ 105,141
TOTAL LIABILITIES	\$ 142,501	\$ 105,141
NET ASSETS:		
Without donor restrictions	\$ 2,074,352	\$ 2,140,486
TOTAL NET ASSETS	\$ 2,074,352	\$ 2,140,486
TOTAL LIABILITIES AND NET ASSETS	\$ 2,216,853	\$ 2,245,627

THE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
SUPPORT AND REVENUES:		
Membership dues	\$ 76,751	\$ 64,457
Conference income (net of refunds of \$19,718 in 2022)	46,461	8,999
Sponsorship advertising	27,468	13,277
Contest income	28,170	25,315
Investment income	(126,362)	199,513
Miscellaneous income	-	1,238
	\$ 52,488	\$ 312,799
Program expenses		
Bank and credit card fees	\$ 3,639	\$ 3,871
Contests	12,283	10,655
Contract labor	3,710	2,882
Dues and subscriptions	209	-
Insurance	700	208
Labor	67,150	67,543
Marketing	1,629	900
Overhead	-	2,152
Postage and delivery	-	1,057
Printing and reproduction	1,500	532
Professional fees	6,000	4,000
Supplies	559	-
Website	21,243	7,969
	\$ 118,622	\$ 101,769
TOTAL EXPENSES	\$ 118,622	\$ 101,769
CHANGE IN NET ASSETS	\$ (66,134)	\$ 211,030
NET ASSETS, BEGINNING	\$ 2,140,486	\$ 1,929,456
NET ASSETS, ENDING	\$ 2,074,352	\$ 2,140,486

THE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ <u>(66,134)</u>	\$ <u>211,030</u>
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Realized and unrealized loss (gain) on investments	\$ 162,351	\$ (373,779)
Changes in assets and liabilities:		
(Increase) decrease in prepaid expenses	(491)	(492)
(Increase) decrease in accounts receivable	(33,257)	(5,700)
Increase (decrease) in accounts payable	<u>37,360</u>	<u>105,141</u>
Total Adjustments	\$ <u>165,963</u>	\$ <u>(274,830)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>99,829</u>	\$ <u>(63,800)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Investments	\$ <u>(35,955)</u>	\$ <u>(75,371)</u>
NET CASH FROM USED BY INVESTING ACTIVITIES.	\$ (35,955)	\$ (75,371)
CHANGE IN CASH	\$ 63,874	\$ (139,171)
CASH, BEGINNING OF YEAR	<u>793,948</u>	<u>933,119</u>
CASH, END OF YEAR.	<u><u>857,822</u></u>	<u><u>793,948</u></u>

**THE ACCOMPANYING NOTES TO THESE FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT**

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Purpose of the Organization** – The Association of Health Care Journalists, Inc. (the "Association") is a non-profit corporation which was organized in 2005 focused on creating a vibrant community of health journalists, raising the stature of health journalism and advocating the free flow of information to the public.
- B. 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.
- C. 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.
- D. 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.
- E. 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 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 donors are reported as an increase in net assets with donor restrictions if the restrictions expire in the fiscal year in which the contributions are received.
- F. 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. These 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.
- G. 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.
- H. Functional Expenses** – The costs of providing the program and activities have been fully allocated among the program as the related organization does all the administrative and fundraising work for the Association.

**ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- I. **Related Entity** – The Center for Excellence in Health Care Journalists (the “Center”) is a related entity to the Center. The Center is a 501(c)(3) 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, 2022 the Association owed the Center \$142,501 which is include in accounts payable and was owed from the Center \$36,338 which is included in the accounts receivable on the Statement of Financial Position as of June 30, 2022. The financial statements of the Center are not included in the Association’s financial statements for the year ended June 30, 2022 or 2021.
- J. **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 Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. For the year ended June 30, 2022 and 2021 all net assets were without donor restrictions.

NOTE 2: CASH AND CASH EQUIVALENTS

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

	<u>2022</u>	<u>2021</u>
Checking account	\$ 242,894	\$ 246,188
Money market accounts	<u>614,868</u>	<u>547,760</u>
Total Cash and Cash Equivalents	<u>\$ 857,762</u>	<u>\$ 793,948</u>

The checking account is non-interest bearing. The four money market accounts have interest rates ranging between 0.05% and 0.65% as of June 30, 2022.

NOTE 3: CASH/CONCENTRATION OF CREDIT RISK

The Organization’s cash and cash equivalents and certificates of deposits are with high quality financial institutions. The bank balances in one of its banking institutions at June 30, 2022, is in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. Its main checking, money market, and certificate of deposits banking institution has a bank balance of \$756,642 at June 30, 2022, leaving the remaining balance under secured by \$506,642.

NOTE 4: INVESTMENTS

Investments consist of the following at June 30:

	<u>Cost</u>	<u>Fair Value</u>
2022		
Certificates of Deposit	\$ 427,620	\$ 427,620
Vanguard Balanced index fund	<u>722,729</u>	<u>891,471</u>
Total Investments	<u>\$ 1,150,349</u>	<u>\$ 1,319,091</u>

ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021

NOTE 4: INVESTMENTS (CONTINUED)

	<u>Cost</u>	<u>Fair Value</u>
2021		
Certificates of Deposit	\$ 426,447	\$ 426,447
Vanguard Balanced index fund	688,020	1,019,040
Total investments	\$ <u>1,114,467</u>	\$ <u>1,445,487</u>

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

	<u>2022</u>	<u>2021</u>
Interest income	\$ 1,207	\$ 4,957
Dividends	34,781	31,683
Unrealized gain (loss)	(162,350)	22,392
Realized gain (loss)	-	140,481
Total investment income	\$ <u>(126,362)</u>	\$ <u>199,513</u>

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.

The following are the major categories of assets measured in fair values on a recurring basis as of:

<u>June 30, 2022</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Total</u>
Marketable securities				
Vanguard Balanced Index Fund	\$ 891,471	\$ -	\$ -	\$ 891,471
Total marketable securities	\$ <u>891,471</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>891,471</u>

**ASSOCIATION OF HEALTH CARE JOURNALISTS, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021**

NOTE 5: FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

<u>June 30, 2021</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>	<u>Total</u>
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>

The following are changes in fair value for items measured at fair value for the year ended June 30:

	<u>2022</u>	<u>2021</u>
Trading gains (losses) on marketable securities		
Unrealized change in value	\$ (162,350)	22,392
Realized gain (loss) on investments	-	140,481
Total trading gains (losses) on marketable securities	<u>\$ (162,350)</u>	<u>\$ 162,873</u>

Fair value of financial instruments

Due to their short-term nature, the carrying value of cash, investment in certificates of deposit, short-term receivables, and accounts payable, approximate their fair value at June 30, 2022 and 2021.

NOTE 6: SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 7, 2023, the date on which the financial statements were available to be issued.