

AUDITED FINANCIAL STATEMENTS
**CENTER FOR EXCELLENCE IN HEALTH
CARE JOURNALISM
COLUMBIA, MISSOURI**
JUNE 30, 2022 AND 2021

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

**CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
COLUMBIA, MISSOURI
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June 7, 2023

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Center for Excellence in Health Care Journalism (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 Center for Excellence in Health Care Journalism 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 Center for Excellence in Health Care Journalism 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 Center for Excellence in Health Care Journalism 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 Center for Excellence in Health Care Journalism's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Beard & Associates, PC

Beard & Associates, PC
Columbia, MO

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
ASSETS:		
Cash and cash equivalents	\$ 1,765,781	\$ 2,596,198
Investments	502,842	249,895
Grants and accounts receivable	418,170	220,484
Prepaid expenses	-	108,856
Fixed assets, net of accumulated depreciation	-	-
	<u> </u>	<u> </u>
TOTAL ASSETS	\$ <u>2,686,793</u>	\$ <u>3,175,433</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable	\$ 195,082	\$ 37,125
Deferred revenues	224,600	274,980
	<u> </u>	<u> </u>
TOTAL LIABILITIES	\$ <u>419,682</u>	\$ <u>312,105</u>
NET ASSETS:		
Without donor restrictions	\$ 2,100,323	\$ 1,960,283
With donor restrictions	166,788	903,045
	<u> </u>	<u> </u>
TOTAL NET ASSETS	\$ <u>2,267,111</u>	\$ <u>2,863,328</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>2,686,793</u>	\$ <u>3,175,433</u>

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

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(WITH SUMMARIZED TOTALS FOR THE YEAR ENDED JUNE 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUES:				
Contributions	\$ 11,027	\$ -	\$ 11,027	\$ 18,429
Program sponsors and grants	300,501	694,285	994,786	1,033,017
Miscellaneous income	94,083	-	94,083	-
Investment income	5,050	-	5,050	5,784
Net Assets released from restrictions Satisfied by payment	<u>1,430,542</u>	<u>(1,430,542)</u>	<u>-</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	\$ <u>1,841,203</u>	\$ <u>(736,257)</u>	\$ <u>1,104,946</u>	\$ <u>1,057,230</u>
EXPENSES:				
Program services	\$ 1,648,446	\$ -	\$ 1,648,446	\$ 819,650
Management and general	49,342	-	49,342	6,780
Fundraising	<u>3,375</u>	<u>-</u>	<u>3,375</u>	<u>1,773</u>
TOTAL EXPENSES	\$ <u>1,701,163</u>	\$ <u>-</u>	\$ <u>1,701,163</u>	\$ <u>828,203</u>
CHANGE IN NET ASSETS.	\$ 140,040	\$ (736,257)	\$ (596,217)	\$ 229,027
NET ASSETS, BEGINNING	\$ <u>1,960,283</u>	\$ <u>903,045</u>	\$ <u>2,863,328</u>	\$ <u>2,634,301</u>
NET ASSETS, ENDING	\$ <u><u>2,100,323</u></u>	\$ <u><u>166,788</u></u>	\$ <u><u>2,267,111</u></u>	\$ <u><u>2,863,328</u></u>

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

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUES:			
Contributions	\$ 18,429	\$ -	\$ 18,429
Program sponsors and grants	89,182	943,835	1,033,017
Investment income	5,784	-	5,784
Net Assets released from restrictions Satisfied by payment	<u>951,001</u>	<u>(951,001)</u>	<u>-</u>
TOTAL SUPPORT AND REVENUES	\$ 1,064,396	\$ (7,166)	\$ 1,057,230
EXPENSES:			
Program services	\$ 819,650	\$ -	\$ 819,650
Management and general	6,780	-	6,780
Fundraising	<u>1,773</u>	<u>-</u>	<u>1,773</u>
TOTAL EXPENSES	\$ 828,203	\$ -	\$ 828,203
CHANGE IN NET ASSETS	\$ 236,193	\$ (7,166)	\$ 229,027
NET ASSETS, BEGINNING	\$ 1,724,090	\$ 910,211	\$ 2,634,301
NET ASSETS, ENDING	\$ 1,960,283	\$ 903,045	\$ 2,863,328

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

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
WITH SUMMARIZED TOTALS (FOR THE YEAR ENDED JUNE 30, 2021)

	2022				2021 Total
	Program Services	Management and General	Fundraising	Total	
Bank and credit card charges	\$ 233	\$ 723	-	\$ 956	\$ 348
Dues and subscriptions	621	1,419	-	2,040	1,200
Education and training	-	-	-	-	237
Small equipment	2,354	-	-	2,354	2,684
Insurance	9,785	1,962	-	11,747	2,491
Conferences	496,808	-	-	496,808	74,250
Miscellaneous	609	500	-	1,109	3,998
Postage and delivery	1,514	185	-	1,699	2,721
Printing and reproduction	3,301	117	-	3,418	3,151
Professional fees	230,471	5,132	-	235,603	171,178
Marketing	4,443	4,952	-	9,395	4,998
Fellowship expense	199,831	-	-	199,831	(4,167)
Website and listserve expenses	13,233	-	-	13,233	4,069
Travel	24,063	1,197	-	25,260	227
Reimbursed expenses	-	-	-	-	17,001
Speakers	45,522	-	-	45,522	(4)
Mentors	11,496	-	-	11,496	350
Materials and supplies	3,570	380	-	3,950	1,469
Telephone	576	2,217	-	2,793	3,342
Contract labor	13,942	-	-	13,942	25,250
Labor	586,074	30,558	3,375	620,007	513,410
Total Expenses	\$ 1,648,446	\$ 49,342	\$ 3,375	\$ 1,701,163	\$ 828,203

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

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Bank and credit card charges	\$ 210	\$ 103	\$ 35	\$ 348
Dues and subscriptions	175	1,025	-	1,200
Education and training	-	237	-	237
Small equipment	1,471	1,213	-	2,684
Insurance	2,491	-	-	2,491
Conferences	74,250	-	-	74,250
Miscellaneous	1,829	2,169	-	3,998
Postage and delivery	2,721	-	-	2,721
Printing and reproduction	2,576	575	-	3,151
Professional fees	171,178	-	-	171,178
Marketing	4,998	-	-	4,998
Fellowship expense	(4,167)	-	-	(4,167)
Website and listserve expenses	4,069	-	-	4,069
Travel	85	142	-	227
Reimbursed expenses	17,001	-	-	17,001
Speakers	(4)	-	-	(4)
Mentors	350	-	-	350
Materials and supplies	1,150	319	-	1,469
Telephone	3,342	-	-	3,342
Contract labor	25,250	-	-	25,250
Labor	510,675	997	1,738	513,410
Total Expenses	<u>\$ 819,650</u>	<u>\$ 6,780</u>	<u>\$ 1,773</u>	<u>\$ 828,203</u>

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

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (596,217)	\$ 229,027
Changes in assets and liabilities:		
(Increase) decrease in grants and accounts receivable	\$ (197,686)	\$ 20,848
(Increase) decrease in prepaid expenses	108,856	(108,856)
Increase (decrease) in accounts payable	157,957	37,125
Increase (decrease) in deferred revenue	(50,380)	50,780
Total Adjustments	\$ 18,747	\$ (103)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (577,470)	\$ 228,924
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from investments	\$ 249,895	\$ -
Purchase of investments	(502,842)	-
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	\$ (252,947)	\$ -
CHANGE IN CASH	\$ (830,417)	\$ 228,924
CASH, BEGINNING OF YEAR	2,596,198	2,367,274
CASH, END OF YEAR.	\$ 1,765,781	\$ 2,596,198

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

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
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 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.
- B. 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.
- 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 Center considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- D. 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.
- 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 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 measured. The Center does not record any amounts of donated space from the University of Missouri – Columbia, where the offices of the Center are located.
- 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 summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Temporary restrictions are donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. Permanent restrictions are donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization. Assets without donor-imposed restrictions, including assets designated for specific use by the Organization’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.

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 accounts	\$ 223,237	\$ 1,125,977
Money market accounts	1,542,544	1,470,221
Total Cash and Cash Equivalents	<u>\$ 1,765,781</u>	<u>\$ 2,596,198</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, 2022.

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 3: CASH/CONCENTRATION OF CREDIT RISK

The Organization’s cash and cash equivalents are with six high quality financial institutions and the total bank balance at June 30, 2022. The bank balance in two 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 and money market banking institution has a bank balance of \$1,501,972 at June 30, 2022, leaving the remaining balance under secured by \$1,251,972. One money market had an account balance of \$257,819 at June 30, 2022, leaving the remaining balance unsecured by \$7,819. The Organization’s cash is subject to various risks, such as interest rate, credit, and overall market volatility risks.

NOTE 4: INVESTMENTS

Investments consist solely of one certificate of deposit in an FDIC banking institution that matures in July 2022.

NOTE 5: FAIR VALUE OF FINANCIAL INSTRUMENTS

Due to their short-term nature, the carrying value of cash, investments in certificates of deposit, short-term receivables, accounts payable, and other liabilities, approximates their fair value at June 30, 2022.

NOTE 6: GRANTS AND ACCOUNTS RECEIVABLE

Grants and accounts receivable total \$418,170 and \$220,484 at June 30, 2022 and 2021, respectively. These amounts are considered fully collectible.

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, 2022:

	2022	2021
Equipment	\$ 8,625	\$ 8,625
Less: Accumulated Depreciation	(8,625)	(8,625)
Net Equipment	\$ -	\$ -

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021

NOTE 8: RESTRICTIONS ON NET ASSETS

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

	<u>2022</u>		<u>2021</u>
Fellowships	\$ 129,202	\$	621,004
Publications and web data	5,184		20,000
Workshops	-		66,000
Core Curriculum	<u>32,402</u>		<u>196,041</u>
Total restrictions with time restrictions	<u>\$ 166,788</u>	\$	<u>903,045</u>

NOTE 9: SUBSEQUENT EVENTS

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