CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM AND ASSOCIATION OF HEALTH CARE JOURNALISTS

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended June 30, 2024
with
Independent Accountants' Review Report

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM AND ASSOCIATION OF HEALTH CARE JOURNALISTS

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

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Keller & Owens, LLC

Certified Public Accountants

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Center for Excellence in Health Care Journalism and Association of Health Care Journalists

We have reviewed the accompanying consolidated financial statements of the **Center for Excellence in Health Care Journalism and Association of Health Care Journalists** (both are not-for-profit organizations), which comprise the consolidated statement of assets, liabilities, and net assets – modified cash basis as of June 30, 2024, and the related consolidated statements of support, revenue, and expenses – modified cash basis, functional expenses – modified cash basis, and cash flows – modified cash basis, for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting the organization uses is an acceptable basis for the preparation of consolidated financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

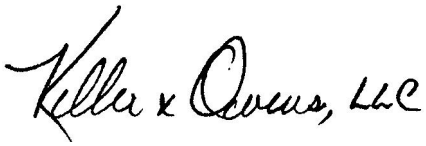
We are required to be independent of **Center for Excellence in Health Care Journalism and Association of Health Care Journalists** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 2 of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



Overland Park, Kansas
April 16, 2025

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM AND ASSOCIATION OF HEALTH CARE JOURNALISTS

CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES,
AND NET ASSETS – MODIFIED CASH BASIS
June 30, 2024

ASSETS

Cash and Cash Equivalents	$	2,099,529
Investments, at cost		1,657,104
Investments, at fair value		1,132,989
Website, net of accumulated amortization		79,000
Total Assets	$	4,968,622

LIABILITIES AND NET ASSETS

Total Liabilities	$	-
Net Assets:		
Without donor restrictions		4,400,866
With donor restrictions		567,756
Total Net Assets		4,968,622
Total Liabilities and Net Assets	$	4,968,622

See accompanying notes and independent accountants' review report

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM AND ASSOCIATION OF HEALTH CARE JOURNALISTS

CONSOLIDATED STATEMENT OF SUPPORT, REVENUE,
AND EXPENSES – MODIFIED CASH BASIS
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Contributions and sponsorships	$ 1,474,800	436,917	$ 1,911,717
Royalties	85,925	-	85,925
Memberships	55,247	-	55,247
Annual meeting	168,290	-	168,290
Advertising	15,142	-	15,142
Investment return, net	162,499	-	162,499
Interest income	13,533		13,533
Net assets released from restrictions	478,799	(478,799)	-
Total Support and Revenue	2,454,235	(41,882)	2,412,353
Expenses:			
Program services	1,871,957	-	1,871,957
Supporting services:			
Management and general	318,094	-	318,094
Fundraising	169,848	-	169,848
Membership development	108,781	-	108,781
Total supporting services	596,723	-	596,723
Total Expenses	2,468,680	-	2,468,680
Change in Net Assets	(14,445)	(41,882)	(56,327)
Net Assets at Beginning of Year	4,415,311	609,638	5,024,949
Net Assets, End of Year	$ 4,400,866	$ 567,756	$ 4,968,622

See accompanying notes and independent accountants' review report

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM AND ASSOCIATION OF HEALTH CARE JOURNALISTS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
Year Ended June 30, 2024

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Supporting Services: Membership Development	Total
Salaries and benefits	$ 861,832	$ 252,453	$ 155,658	$ 98,103	$ 1,368,046
Conferences and meetings	467,065	-	-	-	467,065
Contract labor	196,394	-	-	-	196,394
Fellowships	139,250	-	-	-	139,250
Travel	43,877	12,035	1,401	-	57,313
Speakers	50,645	-	-	-	50,645
Information technology	43,176	2,052	1,265	798	47,291
Office expenses	22,729	16,328	358	-	39,415
Professional fees	13,091	26,207	-	-	39,298
Marketing	-	-	7,687	7,687	15,374
Mentors	15,075	-	-	-	15,075
Insurance	5,818	1,832	1,129	712	9,491
Amortization	12,107	3,812	2,350	1,481	19,750
Miscellaneous	898	3,375	-	-	4,273
Total Expenses	$ 1,871,957	$ 318,094	$ 169,848	$ 108,781	$ 2,468,680

See accompanying notes and independent accountants' review report

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM AND ASSOCIATION OF HEALTH CARE JOURNALISTS

CONSOLIDATED STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS

Year Ended June 30, 2024

Cash Flows from Operating Activities:	
Change in net assets	$ (56,327)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:	
Amortization	19,750
Net realized and unrealized gains on investments	(162,499)
Net Cash (Used) Provided by Operating Activities	(199,076)
Cash Flows from Investing Activities:	
Purchases of investments	(509,242)
Payments for website development	(98,750)
Net Cash Used by Investing Activities	(607,992)
Net Change in Cash and Cash Equivalents	(807,068)
Cash and Cash Equivalents, Beginning of Year	2,906,597
Cash and Cash Equivalents, End of Year	$ 2,099,529

See accompanying notes and independent accountants' review report

CENTER FOR EXCELLENCE IN HEALTH CARE JOURNALISM AND ASSOCIATION OF HEALTH CARE JOURNALISTS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024

1. NATURE OF ORGANIZATION

The **Center for Excellence in Health Care Journalism** is a nonprofit corporation organized in 2004. The purpose of the Center is to ensure that journalists are properly trained to cover news events, trends, and issues in all aspects of health care journalism, including the business of health care, public policy, medical research, medical practice, consumer health issues, public health, health law, and ethics.

The **Association of Health Care Journalists, Inc.** is a nonprofit corporation organized in 2005 to create a vibrant community of health journalists, raise the stature of health journalism, and advocate the free flow of information to the public. The **Center for Excellence in Health Care Journalism** supports the **Association of Health Care Journalists, Inc.** by securing grants and other funding to subsidize the costs of conferences, workshops, reporting resources, a web site, and other professional development efforts.

Principles of Consolidation – The consolidated financial statements include the accounts of the Center and the Association, collectively referred to as the Organization. Consolidation is required because both entities are controlled by a common Board of Directors. All significant intra-entity transactions and accounts have been eliminated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advertising – Advertising is recorded when cash is disbursed. Total advertising expense for the year ended June 30, 2024 was $15,374.

Basis of Accounting – The accompanying consolidated financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). That basis differs from GAAP primarily because the Organization has not recognized accounts receivable, prepaid expenses, accounts payable to vendors, accrued salaries and wages, accrued vacation, other accrued expenses, deferred revenue, and their related effects on the change in net assets.

Concentration of Credit Risk – The Organization maintains its cash deposits and investments at cost in bank accounts that may exceed federally insured limits at times. The Organization has not experienced any losses in these accounts in the past, and management believes the Organization is not exposed to significant credit risks as it periodically evaluates the strength of financial institutions in which the Organization deposits funds. At June 30, 2024, the Organization had approximately $1,457,000 in deposits in excess of federally-insured limits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expenses – The Organization allocates expenses on a functional basis among the various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by management's estimate of resources devoted to the program or support service, requiring allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits, professional fees, and office supplies, which are allocated on the basis of estimates of time and effort.

Income Taxes – The **Association of Health Care Journalists** is exempt from federal income taxes (except on unrelated business income) under Section 501(c)(6) of the Internal Revenue Code and state law.

The **Center for Excellence in Health Care Journalism** is exempt from federal income taxes (except on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code and state law, and contributions to the **Center for Excellence in Health Care Journalism** are tax deductible within the limitations prescribed by the Code.

The Organization's policy is to disclose any beneficial tax position, including any related interest and penalties, when it is more likely than not the position taken by management with respect to the transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes there are no such positions as of June 30, 2024, and accordingly, no such disclosure has been made.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at fair value. Net investment return is reported in the statement of revenues, expenses, and other changes in net assets – modified cash basis and consists of interest and dividend income, realized and unrealized gains and losses, and investment expenses. Certificates of deposit totaling $1,407,104 and an annuity of $250,000 are recorded at cost as of June 30, 2024.

Net Assets – Net assets, revenue, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions **–** Net assets available for use in general operations and not subject to donor or certain grantor restrictions. They also include any designations by the governing board, of which there were none as of June 30, 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Assets (continued) –

Net assets with donor restrictions – Net assets subject to donor- or certain grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of revenues, expenses, and other changes in net assets – modified cash basis 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.

Revenue Recognition – Contributions are recognized when cash is received from donors and sponsors of events. Memberships are recognized when cash is collected from members and are nonrefundable. Revenue from royalties is recognized when cash is received. Revenue from annual meeting attendees and exhibitors is recognized when cash is received and is generally nonrefundable. Revenue from advertising is recognized when cash is received and is nonrefundable.

Subsequent Events – Management has evaluated events and transactions that have occurred since June 30, 2024 and reflected their effects, if any, in these consolidated financial statements through April 16, 2025, the date the consolidated financial statements were available to be issued.

3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets available for general expenditures within one year as of June 30, 2024:

Financial assets	$ 4,889,622
Less: donor-imposed purpose restrictions	(567,756)
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	$ 4,321,866

3. LIQUIDITY AND AVAILABILITY OF RESOURCES (continued)

The Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Assets which are donor-restricted for certain purposes other than that of a long-term nature may be utilized to cover certain programming costs.

4. FAIR VALUE MEASUREMENTS

The objective of a fair value measurement is to determine 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 (an exit price). Accordingly, the fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three-tier hierarchy of inputs is summarized in the three broad levels as follows:

- Level 1 – inputs are unadjusted quoted market prices in active, independent markets for identical assets and liabilities;
- Level 2 – inputs are directly or indirectly observable estimates from quotes for similar but not identical assets and liabilities, market trades for identical assets not actively traded, or other external independent means;
- Level 3 – inputs are unobservable and reflect assumptions on the part of the reporting entity.

Investments measured at fair value were $1,132,989 at June 30, 2024 and consisted of mutual funds valued using Level 1 inputs.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions by purpose consisted of the following as of June 30, 2024:

Subject to expenditure for specified purpose:	
Fellowships	$ 309,371
Core curriculum	115,627
Publications and web data	81,318
Conferences and events	61,440
Total Net Assets with Donor Restrictions	$ 567,756

5. NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2024:

Subject to expenditure for specified purpose:	
Fellowships	$ 61,703
Core curriculum	234,223
Conferences and events	182,873
Total Net Assets Released from Restrictions	$ 478,799

6. EMPLOYMENT CONTRACT

In July 2022, the Organization entered into an employment agreement with the current Executive Director covering the period through September 5, 2024. In August 2024, an agreement was entered into with the current Executive Director covering the period through September 5, 2027. These agreements define various compensation benefits.

7. CONCENTRATIONS

During the year ended June 30, 2024, the Organization received 40% of its total support and revenue from three donors.

8. CAPITALIZED WEB DEVELOPMENT COSTS

During the year ended June 30, 2024, the Organization capitalized costs of $98,750 related to building a new website. The Organization will amortize these costs over five years. Amortization expense totaled $19,750 during the year ended June 30, 2024.

9. RETIREMENT PLAN

The Organization sponsors a 401(k) defined contribution salary deferral plan covering eligible employees. All employees who are 21 years of age or older and have completed at least three months of service are eligible to participate in the plan. Under the plan, employees may contribute the maximum amount allowed by the Internal Revenue Code. The Organization makes discretionary employer contributions to the plan. For fiscal year 2024, total employer contribution expense was $89,738.

10. EFFECTS OF REPORTING ON THE MODIFIED CASH BASIS

Included in salaries and benefits for the year ended June 30, 2024 was $337,164 related to salaries and benefits incurred between January 2023 through June 2023 which were paid during the year ended June 30, 2024. These expenses were recognized when paid in accordance with the modified cash basis of accounting. Employees of the Organization were classified as University of Missouri (the "University") employees through June 30, 2023 under an operating agreement between the University and the Organization.