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NATIONAL ASSOCIATION OF  
HISPANIC JOURNALISTS  
FINANCIAL STATEMENTS  
Together with Independent Auditors' Report  
DECEMBER 31, 2014 AND 2013

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GREENWALT<sup>CPAs</sup>  
We Deliver Peace of Mind

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
National Association of Hispanic Journalists:

We have audited the accompanying financial statements of National Association of Hispanic Journalists (NAHJ), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAHJ, as of December 31, 2014, 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.

*Report of Summarized Comparative Information*

We have previously audited the NAHJ 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 30, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Greenwald CPAs, Inc.*

October 23, 2015

**NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**

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**ASSETS**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 556,219	\$ 400,813
Contributions receivable	66,320	249,715
Prepayments	<u>8,916</u>	<u>11,727</u>
<i>Total current assets</i>	631,455	662,255
<b>INVESTMENTS</b>	134,844	117,813
<b>SOFTWARE AND EQUIPMENT, NET</b>	<u>8,836</u>	<u>11,360</u>
<i>Total assets</i>	<u><u>\$ 775,135</u></u>	<u><u>\$ 791,428</u></u>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable	\$ 14,265	\$ 27,558
Accrued expenses	-	1,534
Deferred revenue	<u>52,143</u>	<u>57,405</u>
<i>Total liabilities</i>	<u>66,408</u>	<u>86,497</u>
<b>COMMITMENTS (NOTE 5)</b>		
<b>NET ASSETS</b>		
Undesignated	(33,046)	(204,811)
Board designated	<u>157,781</u>	<u>143,667</u>
<i>Total unrestricted net assets</i>	124,735	(61,144)
Temporarily restricted	<u>583,992</u>	<u>766,075</u>
<i>Total net assets</i>	<u>708,727</u>	<u>704,931</u>
<i>Total liabilities and net assets</i>	<u><u>\$ 775,135</u></u>	<u><u>\$ 791,428</u></u>

**NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS**

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

WITH COMPARATIVE SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>UNDESIGNATED</u>	<u>BOARD DESIGNATED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>2014 TOTAL</u>	<u>2013 TOTAL</u>
<b>REVENUE AND SUPPORT</b>					
Grants	\$ 37,000	\$ -	\$ 34,500	\$ 71,500	\$ 55,000
Registration fees and tickets	196,203	-	6,750	202,953	133,544
Publications revenue	368	-	-	368	102
Advertising income	61,800	-	-	61,800	35,965
Social and special events	1,330	-	6,043	7,373	-
Investment income	2	15,535	6	15,543	35,885
Membership dues	89,417	-	3,523	92,940	80,054
Donations	7,104	-	906	8,010	26,658
In-kind donations	135,143	-	-	135,143	264,285
Sponsorships	220,290	-	16,333	236,623	465,792
Booth and exhibit fees	108,850	-	-	108,850	56,917
Miscellaneous revenue	30	-	-	30	17
Net assets released from restrictions	251,565	(1,421)	(250,144)	-	-
<i>Total revenue and support</i>	<u>1,109,102</u>	<u>14,114</u>	<u>(182,083)</u>	<u>941,133</u>	<u>1,154,219</u>
<b>EXPENSES</b>					
Program	627,566	-	-	627,566	507,007
Management and general	241,462	-	-	241,462	325,646
Fundraising	68,309	-	-	68,309	97,589
<i>Total expenses</i>	<u>937,337</u>	<u>-</u>	<u>-</u>	<u>937,337</u>	<u>930,242</u>
<b>CHANGE IN NET ASSETS</b>	171,765	14,114	(182,083)	3,796	223,977
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>(204,811)</u>	<u>143,667</u>	<u>766,075</u>	<u>704,931</u>	<u>480,954</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ (33,046)</u>	<u>\$ 157,781</u>	<u>\$ 583,992</u>	<u>\$ 708,727</u>	<u>\$ 704,931</u>

**NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS**

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2014

WITH COMPARATIVE SUMMARIZED TOTALS FOR THE YEAR ENDED DECEMBER 31, 2013

	Convention	Education Programs	Chapter Activities	Membership	Total Program	General and Administrative	Fundraising	2014 Total	2013 Total
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
Audio visual	51,424	-	-	968	52,392	-	-	52,392	28,971
Bad debt	-	-	-	5,000	5,000	-	-	5,000	2,600
Computer software and equipment	14,735	-	-	-	14,735	66	85	14,886	14,183
Conference, meetings and workshops	5,000	-	150	2,600	7,750	(161)	-	7,589	2,979
Convention management fee	-	-	-	-	-	-	-	-	51,338
Depreciation expense	-	-	-	-	-	2,524	-	2,524	-
Drayage	26,243	-	-	-	26,243	-	-	26,243	-
Equipment and facilities rental	12,200	-	626	6,098	18,924	-	-	18,924	2,093
Financial service fees	-	150	-	-	150	18,155	-	18,305	7,464
Food and beverage	88,444	-	5,472	23,899	117,815	1,349	-	119,164	117,645
Insurance	1,462	-	-	-	1,462	7,675	-	9,137	4,599
Internet access and website hosting and maintenance	12,195	340	166	11,930	24,631	829	-	25,460	25,251
Membership dues and fees	-	-	525	-	525	495	-	1,020	638
Miscellaneous	-	-	-	89	89	13	-	102	69
Occupancy	430	-	-	-	430	7,591	-	8,021	2,592
Office supplies and furniture	359	-	26	358	743	1,181	526	2,450	1,595
Other taxes	-	-	-	-	-	-	-	-	360
Personnel costs	47,542	25,454	-	18,363	91,359	91,284	50,361	233,004	195,736
Postage and shipping	2,213	-	6	1,250	3,469	973	-	4,442	3,190
Printing	10,975	-	1,023	5,438	17,436	321	281	18,038	5,207
Professional services and fees (including \$35,886 and \$164,285 of in-kind expense in 2014 and 2013, respectively)	57,639	-	-	18,843	76,482	62,236	16,065	154,783	247,935
Promotional items and other event costs	18,258	-	1,489	1,277	21,024	1,250	-	22,274	4,421
Scholarships expense	-	52,000	6,650	-	58,650	-	-	58,650	72,100
Service fees	-	-	-	-	-	-	-	-	85
Sponsorships expense	-	-	803	-	803	-	-	803	500
Telephone	-	-	-	-	-	5,721	611	6,332	4,941
Travel (including \$100,000 of in-kind expenses in 2014 and 2013)	58,633	-	264	28,557	87,454	39,960	380	127,794	133,650
<b>Total expenses</b>	<b>\$ 407,752</b>	<b>\$ 77,944</b>	<b>\$ 17,200</b>	<b>\$ 124,670</b>	<b>\$ 627,566</b>	<b>\$ 241,462</b>	<b>\$ 68,309</b>	<b>\$ 937,337</b>	<b>\$ 930,242</b>

See accompanying notes to financial statements.

**NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS**

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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**INCREASE IN CASH AND CASH EQUIVALENTS**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributions, sponsorships, and fees	\$ 968,580	\$ 701,432
Cash paid to suppliers and employees	(811,686)	(667,503)
Investment income	1,715	1,441
	<u>158,609</u>	<u>35,370</u>
<i>Net cash and cash equivalents provided by operating activities</i>		
	<u>158,609</u>	<u>35,370</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of software and equipment	-	(11,360)
Purchase of investments	(59,972)	-
Sale of investments	56,769	-
	<u>(3,203)</u>	<u>(11,360)</u>
<i>Net cash and cash equivalents used in investing activities</i>		
	<u>(3,203)</u>	<u>(11,360)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	155,406	24,010
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>400,813</u>	<u>376,803</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 556,219</u></u>	<u><u>\$ 400,813</u></u>

**NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS**

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH  
AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>CHANGE IN NET ASSETS</b>	\$ 3,796	\$ 223,977
<b>ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES</b>		
Depreciation expense	2,524	-
Unrealized (gain) loss on investments	11,481	(34,444)
Realized loss on investments	(25,309)	-
<i>Increase (decrease) in operating assets:</i>		
Contributions receivable	183,395	(189,232)
Prepayments	2,811	(9,596)
<i>Increase (decrease) in operating liabilities:</i>		
Accounts payable	(13,293)	6,516
Accrued expenses	(1,534)	1,534
Deferred revenue	(5,262)	36,615
<i>Total adjustments</i>	<u>154,813</u>	<u>(188,607)</u>
<b>NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 158,609</u>	<u>\$ 35,370</u>



# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### NATURE OF OPERATIONS

National Association of Hispanic Journalists (NAHJ) was incorporated in 1984 in California and is dedicated to the recognition and professional advancement of Hispanics in the news industry. NAHJ is governed by a fourteen (14) member board of directors that consists of executive officers and regional directors who represent geographic areas of the United States and the Caribbean. The national office is located in Washington, DC. NAHJ's main sources of revenue consist of donations, sponsorships, and registration fees.

#### BASIS OF ACCOUNTING AND USE OF ESTIMATES

The accompanying financial statements have been prepared on the accrual basis of accounting. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

The financial statements include certain prior year summarized comparative information in total, but not by net asset class and functional expense. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with NAHJ's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

#### CASH AND CASH EQUIVALENTS

NAHJ considers all liquid investments with an original maturity of three months or less to be cash equivalents. Cash equivalents for NAHJ consist primarily of money market accounts. At December 31, 2014 and 2013, NAHJ had cash equivalents of \$202,922 and \$86,594, respectively. At December 31, 2014, NAHJ maintained cash balances in excess of federally insured limits of \$250,000.

#### SOFTWARE AND EQUIPMENT

Expenditures for software and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. Depreciation is recorded by using the straight-line method over the estimated useful lives. NAHJ capitalizes all acquisitions of software and equipment in excess of \$500.

	<u>2014</u>	<u>2013</u>
Computer software	\$ 17,631	\$ 17,631
Computer equipment	3,631	3,631
Accumulated depreciation	<u>(12,426)</u>	<u>(9,902)</u>
	<u>\$ 8,836</u>	<u>\$ 11,360</u>

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### DEFERRED REVENUE

Member dues are billed based on member anniversary. Membership revenue is recognized ratably over the membership period. Deferred revenue represents the unearned portion of dues in addition to unearned booth fees and exhibit revenue at year-end.

#### NET ASSETS

The financial statements have been prepared in accordance with Accounting Standards for the Presentation of Financial Statements of Not-For-Profit Organizations. These standards require NAHJ to report information regarding its net assets, revenue, and other changes in net assets according to class. NAHJ utilizes the following classes of net assets:

#### Unrestricted

These include revenue and expenses from the regular operations of NAHJ, which are at the discretion of management and the Board of Directors. The Board has designated a portion of its unrestricted net assets of \$157,781 and \$143,667 at December 31, 2014 and 2013, respectively. The purpose of these funds is to finance general operation of NAHJ, as needed.

#### Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted revenue received and spent in the same period is considered unrestricted. See Note 3.

#### REVENUE AND SUPPORT

NAHJ reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the purpose or time of use of the donated assets.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give are recognized when the condition on which they depend are substantially met.

#### IN-KIND CONTRIBUTIONS

Contributed services are reported in the financial statements for voluntary donations of services when those services (1) create or enhance non-financial assets, or (2) require specialized skills provided by donation that would otherwise need to be purchased.

Donated materials are recorded at their fair value at the date of the gift. In the absence of donor imposed restrictions, gifts of long-lived assets are reported as unrestricted revenue.

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

#### EXPENSE ALLOCATION

Expenses have been classified as program, general and administrative, and fundraising based on the actual direct expenditures and cost allocation based on estimates of time usage by NAHJ personnel and programs.

#### FAIR VALUE MEASUREMENTS AND INVESTMENTS

Accounting Standards for Fair Value Measurement define fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. Those standards also establish a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Investments of \$134,844 and \$117,813 at December 31, 2014 and 2013, respectively, consisted of equity securities. All investments at December 31, 2014 and 2013 were level 1.

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. This methodology has not changed since the prior year. See Note 2.

#### TAX STATUS

NAHJ is a not-for-profit organization, exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code, and is not considered to be a private foundation as defined by Section 509(a) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. All tax periods prior to 2011 are no longer subject to examination.

#### SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through October 23, 2015, which is the date the financial statements were available to be issued.

### 2. INVESTMENTS

Consistent with Accounting Standards for Investments Held by Not-for-Profits, investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statements of financial position. Unrealized gains and losses are reported in the statement of activities.

The cost of the investments was \$83,712 and \$55,200 at December 31, 2014 and 2013, respectively.

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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### 2. INVESTMENTS, CONTINUED

Investment income consisted of the following for the year ended December 31, 2014:

	<u>2014</u>	<u>2013</u>
Interest and dividend income	\$ 1,715	\$ 1,441
Unrealized gain (loss)	(11,481)	34,444
Realized gain	25,309	-
	<u>\$ 15,543</u>	<u>\$ 35,885</u>

### 3. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2014</u>	<u>2013</u>
Chapter activities	\$ 44,903	\$ 35,736
Annual convention	10,833	155,000
Education programs and scholarships	528,256	575,339
	<u>\$ 583,992</u>	<u>\$ 766,075</u>

### 4. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2014 and 2013 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donor:

	<u>2014</u>	<u>2013</u>
Chapter activities	\$ 17,200	\$ 26,335
Annual convention	155,000	-
Education programs and scholarships	77,944	114,552
	<u>\$ 250,144</u>	<u>\$ 140,887</u>

### 5. COMMITMENTS

NAHJ has an office space lease that expires in August 2015 with monthly payments of \$198. NAHJ also has a storage unit lease that expires in November 2015 with an annual rate of \$2,780. Total rental expense for 2014 and 2013 was \$6,303 and \$2,592, respectively.

The future minimum lease payments for 2015 total \$4,364.

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

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### 6. IN-KIND CONTRIBUTIONS

During 2014 and 2013, NAHJ received in-kind contributions of legal fees of \$35,886 and \$164,285, respectively, and airfare in the amount of \$100,000 in each year. These transactions have been treated as non-cash for the purpose of the statements of cash flows.

### 7. RECLASSIFICATIONS

Certain items in the 2013 financial statements have been retroactively reclassified to conform to the 2014 presentation. These reclassifications had no effect on net assets at December 31, 2013.