

---

NATIONAL ASSOCIATION OF  
HISPANIC JOURNALISTS  
FINANCIAL STATEMENTS  
Together with Independent Auditors' Report  
DECEMBER 31, 2019 AND 2018

---



## 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, 2019, 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 audit 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 auditors consider 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, 2019, 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 NAHJ's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Greenwald CPAs, Inc.*

September 17, 2020

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 489,851	\$ 175,838
Contributions receivable, short-term	394,982	93,584
Prepayments	11,336	39,185
	<hr/>	<hr/>
<i>Total current assets</i>	896,169	308,607
<b>INVESTMENTS</b>	511,498	776,109
<b>LONG-TERM PORTION OF CONTRIBUTIONS RECEIVABLE</b>	63,600	-
<b>SOFTWARE AND EQUIPMENT, NET</b>	280	560
	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 1,471,547</u>	<u>\$ 1,085,276</u>

LIABILITIES AND NET ASSETS

<b>LIABILITIES</b>		
Accounts payable	\$ 43,211	\$ 68,552
Accrued expenses	-	5,115
Deferred revenue	25,664	31,193
	<hr/>	<hr/>
<i>Total liabilities</i>	68,875	104,860
<b>COMMITMENTS (NOTE 6)</b>		
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Undesignated	237,626	204,789
Board designated	299,667	231,020
	<hr/>	<hr/>
<i>Total net assets without donor restrictions</i>	537,293	435,809
Net assets with donor restrictions	865,379	544,607
	<hr/>	<hr/>
<i>Total net assets</i>	1,402,672	980,416
	<hr/>	<hr/>
<i>Total liabilities and net assets</i>	<u>\$ 1,471,547</u>	<u>\$ 1,085,276</u>

**NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS**

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2019 TOTAL	2018 TOTAL
<b>REVENUE AND SUPPORT</b>				
Grants	\$ 386,600	\$ 392,300	\$ 778,900	\$ 223,750
Sponsorships	438,206	83,500	521,706	791,200
Donations	5,310	13,833	19,143	16,719
In-kind donations	21,369	-	21,369	116,703
Social and special events	3,350	702	4,052	3,580
Membership dues	47,467	7,022	54,489	62,044
Registration fees and tickets	232,178	1,080	233,258	236,206
Booth and exhibit fees	72,033	-	72,033	206,226
Advertising	79,326	-	79,326	56,547
Investment, net	73,311	18,485	91,796	6,289
Miscellaneous	1,200	-	1,200	1,715
Net assets released from restrictions	196,150	(196,150)	-	-
<i>Total revenue and support</i>	<u>1,556,500</u>	<u>320,772</u>	<u>1,877,272</u>	<u>1,720,979</u>
<b>EXPENSES</b>				
Program	1,022,702	-	1,022,702	1,194,504
General and administrative	369,324	-	369,324	411,533
Fundraising	62,990	-	62,990	63,848
<i>Total expenses</i>	<u>1,455,016</u>	<u>-</u>	<u>1,455,016</u>	<u>1,669,885</u>
<b>INCREASE IN NET ASSETS</b>	101,484	320,772	422,256	51,094
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>435,809</u>	<u>544,607</u>	<u>980,416</u>	<u>929,322</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 537,293</u>	<u>\$ 865,379</u>	<u>\$ 1,402,672</u>	<u>\$ 980,416</u>

**NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS**

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2019

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2018

	Program				Total Program	General and Administrative	Fundraising	2019 Total	2018 Total
	Convention	Education Programs	Chapter Activities	Membership					
Advertising	\$ -	\$ 207	\$ -	\$ -	\$ 207	\$ -	\$ -	\$ 207	\$ 10,856
Audio visual	120,490	-	-	-	120,490	-	-	120,490	196,041
Computer software and equipment	-	-	53	4,491	4,544	7,806	-	12,350	14,743
Conference, meetings and workshops	-	-	1,185	-	1,185	2,000	-	3,185	5,030
Convention management fee	153,896	-	-	-	153,896	-	-	153,896	205,821
Depreciation	-	-	-	-	-	280	-	280	280
Drayage	33,047	-	-	-	33,047	-	-	33,047	48,554
Equipment and facilities rental	-	83	-	-	83	-	-	83	12,250
Financial service fees	-	-	138	-	138	5,577	-	5,715	23,286
Food and beverage	83,714	-	5,919	-	89,633	237	-	89,870	140,760
Insurance	136	-	-	-	136	5,225	-	5,361	13,370
Internet access and website hosting and maintenance	-	-	-	13	13	5,128	-	5,141	5,536
Membership dues and fees	-	14	-	-	14	1,287	-	1,301	3,550
Miscellaneous	2,394	-	1,006	1,050	4,450	-	62	4,512	5,910
Occupancy	28	-	-	-	28	7,398	-	7,426	9,885
Office supplies and furniture	15,669	104	12	-	15,785	952	-	16,737	8,936
Personnel costs	77,943	94,183	-	34,321	206,447	123,213	41,246	370,906	367,934
Postage and shipping	-	14	-	191	205	1,750	-	1,955	3,182
Printing and design	4,066	2,067	405	-	6,538	319	-	6,857	44,980
Professional services and fees (including \$21,369 and \$114,203 of in-kind in 2019 and 2018, respectively)	28,472	28,271	5,432	-	62,175	100,444	-	162,619	226,016
Promotional items and other event costs	-	478	-	3,122	3,600	-	-	3,600	3,980
Scholarships	3,200	109,700	16,730	-	129,630	1,200	-	130,830	112,595
Sponsorships	-	5,587	1,465	-	7,052	8,500	-	15,552	7,370
Telephone	-	-	-	-	-	2,799	-	2,799	2,237
Travel (including \$2,500 of in-kind in 2018)	137,645	32,681	1,328	11,752	183,406	95,209	21,682	300,297	196,783
<i>Total expenses</i>	<u>\$ 660,700</u>	<u>\$ 273,389</u>	<u>\$ 33,673</u>	<u>\$ 54,940</u>	<u>\$ 1,022,702</u>	<u>\$ 369,324</u>	<u>\$ 62,990</u>	<u>\$ 1,455,016</u>	<u>\$ 1,669,885</u>

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Page 1 of 2

DECREASE IN CASH AND CASH EQUIVALENTS

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributions, sponsorships, and fees	\$ 1,393,580	\$ 1,791,319
Cash paid to suppliers and employees	(1,431,084)	(1,524,639)
Investment income, net	9,396	7,128
	<u>                    </u>	<u>                    </u>
<i>Net cash and cash equivalents provided by (used in) operating activities</i>	<u>(28,108)</u>	<u>273,808</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(64,669)	(510,392)
Sale of investments	406,790	35,957
	<u>                    </u>	<u>                    </u>
<i>Net cash and cash equivalents provided by (used in) investing activities</i>	<u>342,121</u>	<u>(474,435)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	314,013	(200,627)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>175,838</u>	<u>376,465</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 489,851</u></u>	<u><u>\$ 175,838</u></u>

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Page 2 of 2

RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH  
AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES

	<u>2019</u>	<u>2018</u>
INCREASE IN NET ASSETS	\$ 422,256	\$ 51,094
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Depreciation	280	280
Unrealized (gain) loss on investments	(58,930)	20,251
Realized gain on investments	(18,580)	(14,841)
<i>(Increase) decrease in operating assets</i>		
Contributions receivable	(364,998)	186,009
Prepayments	27,849	(7,379)
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	(25,341)	25,956
Accrued expenses	(5,115)	5,115
Deferred revenue	(5,529)	7,323
<i>Total adjustments</i>	<u>(450,364)</u>	<u>222,714</u>
NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (28,108)</u>	<u>\$ 273,808</u>



# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### NATURE OF OPERATIONS

National Association of Hispanic Journalists (NAHJ) was incorporated in 1984 in California, and reincorporated in Washington DC in 2017, 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 grants, 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 (GAAP) 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.

#### SUMMARIZED COMPARATIVE INFORMATION

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 GAAP. Accordingly, such information should be read in conjunction with NAHJ's financial statements as of and for the year ended December 31, 2018, 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, 2019 and 2018, NAHJ had cash equivalents of \$204,371 and \$2,853, respectively. At December 31, 2019, NAHJ maintained cash balances in excess of federally insured limits of approximately \$247,000.

#### CONTRIBUTIONS AND PLEDGES

Contributions are recognized when the donor makes an unconditional promise to give to NAHJ and are recorded at their fair values as revenues and assets in that same period. Donor-restricted contributions are reported as increases in net assets with donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without restrictions. Contributions receivable of \$394,982 was due within one year. Contributions of \$41,200, \$11,200, and \$11,200 are due in the years ending 2021, 2022, and 2023, respectively.

NAHJ annually reviews contributions receivable and writes off the amount of individual contributions, if any, it determines to be uncollectible. There is no allowance as December 31, 2019 and 2018.

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

---

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

#### SOFTWARE AND EQUIPMENT

Expenditures for software and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost, if purchased, or fair market value, if donated. Depreciation is recorded by using the straight-line method over the estimated useful lives of 3-5 years. NAHJ capitalizes all acquisitions of software and equipment in excess of \$500.

	<u>2019</u>	<u>2018</u>
Computer software	\$ 11,360	\$ 11,360
Computer equipment	1,400	1,400
Accumulated depreciation	<u>(12,480)</u>	<u>(12,200)</u>
	<u>\$ 280</u>	<u>\$ 560</u>

Repairs and maintenance are recorded in the period incurred in the statement of activities.

#### NET ASSETS

NAHJ maintains the following classifications of net assets:

##### Without Donor Restrictions

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 net assets without donor restrictions of \$299,667 and \$231,020 at December 31, 2019 and 2018, respectively. The purpose of these funds is to finance the general operations of NAHJ, as needed.

##### With Donor Restrictions

Net assets with donor restrictions include donations and grant revenues that have 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, 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. See Note 4.

#### RECOGNITION OF REVENUE AND SUPPORT

NAHJ's revenues consist primarily of convention registration fees and tickets, booth and exhibit fees, advertising income, membership dues, grants and sponsorships, and donations. Earned revenue is recognized as follows:

The membership dues cycle operates on an anniversary date basis. These membership dues are recognized as services are provided to members.

Convention registration fees and tickets, booth and exhibit fees, and advertising income are earned upon the completion of the convention or program.

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

---

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

#### RECOGNITION OF REVENUE AND SUPPORT, CONTINUED

The following table disaggregates NAHJ's earned revenue based on the timing for satisfaction of performance obligations for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Over time	\$ 54,489	\$ 62,024
Point in time	<u>388,669</u>	<u>504,274</u>
Total	<u>\$ 443,158</u>	<u>\$ 566,298</u>

NAHJ reports grants, donations, or other gifts of cash and donated assets as restricted support if they are received with donor stipulations that limit the purpose or time of use of the donated assets. Donations restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the donations are recognized. Unconditional promises to give are recognized as revenues or gains in the period promised and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Conditional promises to give, including grants, sponsorships, and donations, are recognized when the conditions on which they depend are substantially met.

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 revenue without donor restrictions. See Note 7.

#### ADVERTISING EXPENSE

NAHJ expenses the cost of advertising as incurred. Advertising expense for the years ended December 31, 2019 and 2018 was \$207 and \$10,856, respectively.

#### 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).

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

---

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

#### FAIR VALUE MEASUREMENTS AND INVESTMENTS, CONTINUED

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 \$286,653 and \$222,401 at December 31, 2019 and 2018, respectively, consisted of equity securities. There was \$224,845 and \$553,708 in fixed income mutual funds at December 31, 2019 and 2018, respectively. All investments at December 31, 2019 and 2018 were considered 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 3.

#### 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.

#### SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through September 17, 2020, which is the date the financial statements were available to be issued.

#### NEW ACCOUNTING PRONOUNCEMENT

NAHJ has adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* as of January 1, 2019. The ASU provided clarified guidance to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. NAHJ applied the update on a modified prospective basis to agreements that were either not completed as of the effective date or entered into as of the effective date. The application of the update had no impact on net assets as of January 1, 2019.

NAHJ has adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), as of and for the year ended December 31, 2019. The update provides organizations with a single revenue recognition model for recognizing revenue with members; specifically requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to members. Analysis of various provisions of this standard resulted in no significant changes in the way NAHJ recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard. The application had no impact on net assets as of December 31, 2018.

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

---

### 2. AVAILABLE RESOURCES AND LIQUIDITY

NAHJ strives to maintain sufficient operating cash to cover annual expenditures. Due to the irregular nature of cash flow as a result of operations, cash reserves can vary significantly throughout the year.

The following table reflects NAHJ's financial assets as of December 31, 2019, reduced by amounts that are not available to meet general expenditures within one year of the Statement of Financial Position date because of donor restrictions or board designations.

	<u>2019</u>	<u>2018</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 489,851	\$ 175,838
Contributions receivable	458,582	93,584
Investments	511,498	776,109
Total financial assets	1,459,931	1,045,531
Less amounts not available to be used within one year		
Board designated net assets	(299,667)	(231,020)
Net assets with donor restrictions	(845,379)	(544,607)
Total financial assets not available to be used within one year	(1,145,046)	(775,627)
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 314,885</u>	<u>\$ 269,904</u>

### 3. 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 \$373,300 and \$700,413 at December 31, 2019 and 2018, respectively.

Investment income consisted of the following for the years ended December 31:

	<u>2019</u>	<u>2018</u>
Interest and dividend income	\$ 14,286	\$ 11,699
Unrealized gain (loss)	58,930	(20,251)
Realized gain	23,470	19,392
Investment fees	(4,890)	(4,551)
	<u>\$ 91,796</u>	<u>\$ 6,289</u>

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

---

### 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at December 31:

	<u>2019</u>	<u>2018</u>
Chapter activities	\$ 108,131	\$ 111,007
Climate matters	24,000	12,000
Local leadership training	38,260	10,000
Convention sponsorship	228,700	18,700
Education programs and scholarships	466,288	392,900
	<u>\$ 865,379</u>	<u>\$ 544,607</u>

### 5. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions during 2019 and 2018 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donor:

	<u>2019</u>	<u>2018</u>
Chapter activities	\$ 29,012	\$ 19,018
Local leadership training	10,000	-
Education programs and scholarships	157,138	190,245
	<u>\$ 196,150</u>	<u>\$ 209,263</u>

### 6. COMMITMENTS

NAHJ has an office space lease that expires in August 2021 with monthly payments of \$319. NAHJ also has a storage unit lease that expired in February 2020, with an annual rate of \$3,303, and became month-to-month upon expiration. Total rental expense for 2019 and 2018 was \$7,426 and \$9,885, respectively.

The future minimum lease payments are as follows for the years ending December 31:

2020	\$ 4,544
2021	<u>2,552</u>
	<u>\$ 7,096</u>

NAHJ entered into a contract with a hotel for the 2025 convention. The agreement requires a food and beverage minimum of \$100,000 over the dates of the event. NAHJ also entered into contracts with two hotels for the 2026 convention. The agreements require respective food and beverage minimums of \$300,000 and \$70,000 over the dates of the event. In addition, these agreements have cancellation clauses that in the event of a cancellation, NAHJ will owe a percentage of the total room revenue estimated to the hotel, depending on the date that the cancellations occur.

# NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

---

### 7. IN-KIND DONATIONS

During 2019 and 2018, NAHJ received the following in in-kind donations:

	<u>2019</u>	<u>2018</u>
Legal fees	\$ 21,369	\$ 114,203
Hotel vouchers	<u>-</u>	<u>2,500</u>
	<u>\$ 21,369</u>	<u>\$ 116,703</u>

### 8. SUBSEQUENT EVENT

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which includes a Small Business Paycheck Protection Program ("PPP") under the auspices of the federal Small Business Administration ("SBA"). These funds can be used for costs related to payroll, employee health care, rent, and utilities. In May 2020, NAHJ obtained \$60,719 from a financial institution under the PPP. The interest rate is 1%, the loan term is two years and will be paid at the end of the two-year term; however, to the extent the funds are used for qualifying expense under the program, NAHJ may apply for loan forgiveness for which NAHJ expects to receive 100% forgiveness.

In March 2020, the World Health Organization declared a worldwide pandemic due to the outbreak of a novel strain of coronavirus, called COVID-19. The COVID-19 outbreak resulted in a state-wide stay at home order. As a result, NAHJ closed its facility from March 31 until June 1. The Organization did not charge membership dues or program service revenue during the closure. The extent of the impact of COVID-19 on NAHJ's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on NAHJ's participating membership, employees and vendors all of which are uncertain and cannot be predicted. At the date of this report, the extent to which COVID-19 may impact NAHJ's financial condition or results of operations is uncertain.