
NATIONAL ASSOCIATION OF
HISPANIC JOURNALISTS
FINANCIAL STATEMENTS
Together with Independent Auditors' Report
DECEMBER 31, 2022 AND 2021



INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NAHJ as of December 31, 2022, and the changes in 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 of Opinion

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NAHJ and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believed 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 NAHJ's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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 risk 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 of the effectiveness of NAHJ'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 NAHJ'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.

Report on Summarized Comparative Information

We have previously audited NAHJ's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 22, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Greenwald CPAs, Inc.

August 5, 2023

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,531,449	\$ 940,701
Contributions receivable, short-term	97,531	712,600
Prepayments	56,747	19,661
	<hr/>	<hr/>
<i>Total current assets</i>	2,685,727	1,672,962
INVESTMENTS	988,885	951,823
LONG-TERM PORTION OF CONTRIBUTIONS RECEIVABLE	36,200	22,400
SOFTWARE AND EQUIPMENT, NET	7,248	6,810
	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 3,718,060</u>	<u>\$ 2,653,995</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 85,037	\$ 60,366
Accrued expenses	6,574	-
Deferred revenue	118,174	92,994
	<hr/>	<hr/>
<i>Total liabilities</i>	209,785	153,360
NET ASSETS		
Net assets without donor restrictions		
Undesignated	1,505,416	915,338
Board designated	493,092	465,616
	<hr/>	<hr/>
<i>Total net assets without donor restrictions</i>	1,998,508	1,380,954
Net assets with donor restrictions	1,509,767	1,119,681
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<i>Total net assets</i>	3,508,275	2,500,635
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<i>Total liabilities and net assets</i>	<u>\$ 3,718,060</u>	<u>\$ 2,653,995</u>

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2022 TOTAL	2021 TOTAL
REVENUE AND SUPPORT				
Grants	\$ 622,224	\$ 648,500	\$ 1,270,724	\$ 864,500
Sponsorships	1,045,050	45,900	1,090,950	728,800
Donations and contributions	16,818	15,691	32,509	24,760
In-kind contributions	60,740	-	60,740	16,722
Social and special events	7,625	1,530	9,155	4,850
Membership dues	93,195	7,654	100,849	97,575
Registration fees and tickets	246,739	450	247,189	60,145
Booth and exhibit fees	278,100	-	278,100	75,600
Advertising for job placements	183,581	-	183,581	200,670
Publications	21,600	-	21,600	-
Investment income (loss), net	(69,944)	(23,858)	(93,802)	76,255
Miscellaneous	20,000	125	20,125	67,319
Net assets released from restrictions	305,906	(305,906)	-	-
	<u>2,831,634</u>	<u>390,086</u>	<u>3,221,720</u>	<u>2,217,196</u>
<i>Total revenue and support</i>				
EXPENSES				
Program	1,666,387	-	1,666,387	1,026,709
General and administrative	502,313	-	502,313	396,558
Fundraising	45,380	-	45,380	32,207
	<u>2,214,080</u>	<u>-</u>	<u>2,214,080</u>	<u>1,455,474</u>
<i>Total expenses</i>				
INCREASE IN NET ASSETS	617,554	390,086	1,007,640	761,722
NET ASSETS, BEGINNING OF YEAR	<u>1,380,954</u>	<u>1,119,681</u>	<u>2,500,635</u>	<u>1,738,913</u>
NET ASSETS, END OF YEAR	<u>\$ 1,998,508</u>	<u>\$ 1,509,767</u>	<u>\$ 3,508,275</u>	<u>\$ 2,500,635</u>

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM					GENERAL AND ADMINISTRATIVE	FUNDRAISING	2022 TOTAL	2021 TOTAL
	CONVENTION	EDUCATION PROGRAMS	CHAPTER ACTIVITIES	MEMBERSHIP	TOTAL PROGRAM				
Advertising	\$ 2,476	\$ -	\$ -	\$ -	\$ 2,476	\$ 1,000	\$ -	\$ 3,476	\$ -
Audio visual	251,401	-	-	-	251,401	-	-	251,401	71,084
Bad debt	12,800	-	-	-	12,800	-	-	12,800	14,553
Computer software and equipment	-	3,162	-	6,852	10,014	14,612	-	24,626	23,672
Conference, meetings and workshops	60,349	-	675	500	61,524	260	-	61,784	-
Convention management fee	50,732	-	-	-	50,732	-	-	50,732	206,650
Depreciation	-	-	-	-	-	1,861	-	1,861	1,517
Drayage	1,504	-	-	-	1,504	-	-	1,504	-
Equipment and facilities rental	16,909	3,894	665	-	21,468	-	-	21,468	-
Financial and other service fees	30	132,780	210	315	133,335	19,321	-	152,656	53,400
Food and beverage	232,713	9,596	1,405	-	243,714	-	-	243,714	14,811
Insurance	-	2,880	-	-	2,880	5,532	-	8,412	6,395
Internet access and website hosting and maintenance	-	598	346	-	944	6,148	-	7,092	6,570
Meals - entertainment	-	520	3,121	752	4,393	114	-	4,507	2,293
Membership dues and fees	-	50	-	1,000	1,050	924	-	1,974	727
Miscellaneous	9,991	275	-	-	10,266	1,569	-	11,835	4,774
Occupancy	-	-	-	-	-	8,279	-	8,279	7,349
Office supplies and furniture	20,407	-	-	-	20,407	1,381	-	21,788	30,006
Personnel costs	75,831	52,394	-	31,912	160,137	266,523	40,127	466,787	352,380
Postage and shipping	-	945	21	-	966	603	-	1,569	1,727
Printing and design	43,272	3,653	1,675	-	48,600	1,470	-	50,070	74,562
Professional services and fees (including \$35,740 and \$16,722 of in-kind in 2022 and 2021, respectively)	110,926	252,819	1,000	-	364,745	131,603	4,150	500,498	432,756
Promotional items and other event costs	-	-	314	-	314	-	-	314	785
Scholarships	-	107,000	13,500	-	120,500	-	-	120,500	127,000
Sponsorships	-	-	8,500	-	8,500	500	-	9,000	9,964
Telephone	-	-	-	-	-	2,705	-	2,705	2,478
Travel (including \$25,000 of in-kind in 2022)	99,306	26,918	7,493	-	133,717	37,908	1,103	172,728	10,021
<i>Total expenses</i>	<u>\$ 988,647</u>	<u>\$ 597,484</u>	<u>\$ 38,925</u>	<u>\$ 41,331</u>	<u>\$ 1,666,387</u>	<u>\$ 502,313</u>	<u>\$ 45,380</u>	<u>\$ 2,214,080</u>	<u>\$ 1,455,474</u>

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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INCREASE IN CASH AND CASH EQUIVALENTS

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions, sponsorships, and fees	\$ 3,873,914	\$ 1,727,500
Cash paid to suppliers and employees	(2,150,003)	(1,365,592)
Investment income (loss), net	14,601	(1,044)
	<u>1,738,512</u>	<u>360,864</u>
<i>Net cash and cash equivalents provided by operating activities</i>		
	<u>1,738,512</u>	<u>360,864</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of software and equipment	(2,299)	(1,630)
Purchases of investments	(1,082,392)	(323,879)
Sales of investments	936,927	305,029
	<u>(147,764)</u>	<u>(20,480)</u>
<i>Net cash and cash equivalents used in investing activities</i>		
	<u>(147,764)</u>	<u>(20,480)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	1,590,748	340,384
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>940,701</u>	<u>600,317</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,531,449</u>	<u>\$ 940,701</u>

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

	<u>2022</u>	<u>2021</u>
INCREASE IN NET ASSETS	<u>\$ 1,007,640</u>	<u>\$ 761,722</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES		
Depreciation	1,861	1,517
Unrealized (gain) loss on investments	101,924	(39,774)
Realized (gain) loss on investments	6,479	(37,525)
<i>(Increase) decrease in operating assets</i>		
Contributions receivable	601,269	(363,549)
Prepayments	(37,086)	24,455
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	24,671	45,607
Accrued expenses	6,574	(6,068)
Deferred revenue	25,180	35,198
Refundable advance of PPP funds	-	(60,719)
<i>Total adjustments</i>	<u>730,872</u>	<u>(400,858)</u>
NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 1,738,512</u></u>	<u><u>\$ 360,864</u></u>

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

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 category. 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, 2021, 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, 2022 and 2021, NAHJ had cash equivalents of \$201,877 and \$186,520, respectively. At December 31, 2022 and 2021, NAHJ maintained cash balances in excess of federally insured limits by approximately \$2,078,000 and \$502,000, respectively.

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 donor restrictions. Contributions receivable of \$97,531 and \$712,600 are due within one year as of December 31, 2022 and 2021, respectively. At December 31, 2022 and 2021, contributions are due in the years ending:

	<u>2022</u>	<u>2021</u>
2023	\$ -	\$ 11,200
2024	<u>36,200</u>	<u>11,200</u>
	<u>\$ 36,200</u>	<u>\$ 22,400</u>

NAHJ annually reviews contributions receivable and writes off the amount of individual contributions, if any, it determines to be uncollectible. NAHJ determined that no allowance was necessary as of December 31, 2022 and 2021.

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 the assets of 3-5 years. NAHJ capitalizes all acquisitions of software and equipment in excess of \$500.

	<u>2022</u>	<u>2021</u>
Computer software	\$ 11,360	\$ 11,360
Computer equipment	12,910	10,611
Accumulated depreciation	<u>(17,022)</u>	<u>(15,161)</u>
	<u>\$ 7,248</u>	<u>\$ 6,810</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 \$493,092 and \$465,616 at December 31, 2022 and 2021, respectively. The purpose of these funds is to support the general operations of NAHJ, as needed.

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

NET ASSETS, CONTINUED

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 5.

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. Membership dues collected prior to being earned are reported as deferred revenue.

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

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

	<u>2022</u>	<u>2021</u>
Over time	\$ 100,849	\$ 97,575
Point in time	<u>739,625</u>	<u>341,265</u>
Total	<u>\$ 840,474</u>	<u>\$ 438,840</u>

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 3.

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.

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

LEASES

NAHJ leases short-term office and storage space. NAHJ determines if an arrangement is a lease at inception. The short-term lease exemption is for leases 12-months or less. The short-term lease cost recognized and disclosed for those leases in 2022 is approximately \$8,300.

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.

Fair values measured on a recurring basis at December 31 are as follows:

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>2022</u>	<u>Fair Value</u>		
Equities	\$	228,763	\$	228,763
Fixed income		<u>760,122</u>		<u>-</u>
Total	\$	<u>988,885</u>	\$	<u>-</u>

		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>2021</u>	<u>Fair Value</u>		
Equities	\$	451,613	\$	451,613
Fixed income		<u>500,210</u>		<u>-</u>
Total	\$	<u>951,823</u>	\$	<u>-</u>

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 4.

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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 August 5, 2023, which is the date the financial statements were available to be issued.

ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

NAHJ has adopted Accounting Standards Update (ASU) 2020-07, Not-for-Profit Entities (Topic 958) *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires contributed nonfinancial assets to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The ASU also requires enhanced disclosures, including disaggregation of the amount of contributed nonfinancial assets by category and information, by category, regarding the sale or use of such assets, donor-imposed restrictions and valuation techniques and inputs used in measurement. See Note 3.

Additionally, in February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Account Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standards is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

NAHJ adopted the standard effective January 1, 2022. The adoption of the standard did not have a significant impact on NAHJ's financial statements.

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

2. AVAILABLE RESOURCES AND LIQUIDITY

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, 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. However, board designations could be lifted with board approval.

	<u>2022</u>	<u>2021</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 2,531,449	\$ 940,701
Contributions receivable	133,731	735,000
Investments	988,885	951,823
Total financial assets	<u>3,654,065</u>	<u>2,627,524</u>
Less amounts not available to be used within one year		
Contributions receivable not collectible in the next year	(36,200)	(22,400)
Board designated net assets	(493,092)	(465,616)
Net assets with donor restrictions	<u>(1,509,767)</u>	<u>(1,119,681)</u>
Total financial assets not available to be used within one year	<u>(2,039,059)</u>	<u>(1,607,697)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,615,006</u>	<u>\$ 1,019,827</u>

3. IN-KIND CONTRIBUTIONS

IN-KIND REVENUE

NAHJ received contributed services related to legal services in the amounts of \$35,740 and \$16,722 for the years ending June 30, 2022 and 2021, respectively. It is the policy of NAHJ to record the estimated fair market value of certain in-kind donations as an expense in its statements of activities or as assets in the statements of financial position and similarly increase revenues by a like amount. These contributions have been reflected in the accompanying statements of activities and valued at the market rates for the activity donated by the donor. Accordingly, these transactions have been treated as non-cash transactions and are properly excluded from the statements of cash flows. All donated services were utilized by NAHJ's general and administrative services. There were no donor-imposed restrictions associated with the donated services.

<u>2022</u>	<u>Donated Goods</u>	<u>Donated Services</u>	<u>Total</u>
Legal fees	\$ -	\$ 35,740	\$ 35,740
Travel and lodging expenses	25,000	-	25,000
	<u>\$ 25,000</u>	<u>\$ 35,740</u>	<u>\$ 60,740</u>

NATIONAL ASSOCIATION OF HISPANIC JOURNALISTS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

3. IN-KIND CONTRIBUTIONS, CONTINUED

IN-KIND REVENUE, CONTINUED

<u>2021</u>	<u>Donated Goods</u>	<u>Donated Services</u>	<u>Total</u>
Legal fees	\$ -	\$ 16,722	\$ 16,722
Travel and lodging expenses	-	-	-
	<u>\$ -</u>	<u>\$ 16,722</u>	<u>\$ 16,722</u>

4. 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 \$848,599 and \$716,166 at December 31, 2022 and 2021, respectively.

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

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 21,918	\$ 6,605
Unrealized gain	(101,924)	39,774
Realized gain	(6,479)	37,525
Investment fees	(7,317)	(7,649)
	<u>\$ (93,802)</u>	<u>\$ 76,255</u>

5. NET ASSETS WITH DONOR RESTRICTIONS

In 2021, \$335,026 of net assets restricted for scholarships were reclassified from net assets without donor restrictions to net assets with donor restrictions. The reconciliation completed in 2021 identified restricted scholarship funds were not properly allocated from operations prior to being awarded. Total change in net assets remains unchanged as a result of this reclassification. Net assets are correct as of December 31, 2021 and management will continue monthly assessments to ensure the correct classification of net assets with and without donor restrictions going forward.

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

	<u>2022</u>	<u>2021</u>
Chapter activities	\$ 144,740	\$ 141,693
Local leadership training	572,500	39,500
Convention sponsorships and other	94,854	151,500
Scholarships	697,673	786,988
	<u>\$ 1,509,767</u>	<u>\$ 1,119,681</u>

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6. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from donor restrictions during 2022 and 2021 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donor:

	<u>2022</u>	<u>2021</u>
Chapter activities	\$ 38,925	\$ 21,888
Climate matters	-	24,000
Local leadership training	40,000	71,073
Convention sponsorship	150,000	-
Scholarships	76,981	119,395
	<u>\$ 305,906</u>	<u>\$ 236,356</u>

7. COMMITMENTS

NAHJ entered into a contract with a hotel for the 2023 convention. The agreement requires a food and beverage minimum of \$100,000 over the dates of the event. NAHJ also entered into a contract with a hotel for the 2024 convention. The agreement requires respective food and beverage minimums of \$175,000 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.