

UNITY: JOURNALISTS OF COLOR, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2007



HALT BUZAS & POWELL, LTD
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

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MANAGEMENT CONSULTANTS

ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
UNITY: Journalists of Color, Inc.
McLean, VA

We have reviewed the accompanying statement of financial position of UNITY: Journalists of Color, Inc. (UNITY) as of December 31, 2007, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of UNITY.

A review consists primarily of inquiries of UNITY personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion on these financial statements.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Halt, Buzas & Powell, Ltd.

June 13, 2008

UNITY: JOURNALISTS OF COLOR, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2007

ASSETS

Current assets:

Cash and cash equivalents	\$ 495,172
Accounts receivable	68,353
Prepaid expenses	<u>2,074</u>

Total current assets 565,599

Property and equipment, net 22,506

Total assets \$ 588,105

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 2,072
Accrued expenses	6,481
Accrued payroll, taxes and withholdings	15,157
Deferred revenue	<u>537,760</u>

Total current liabilities 561,470

Net assets:

Unrestricted 26,635

Total net assets 26,635

Total liabilities and net assets \$ 588,105



See notes to financial statements

UNITY: JOURNALISTS OF COLOR, INC.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2007

Revenues:

Contributions	\$	12,415
Contributions - in-kind		41,047
Sponsorships		4,000
Investment income		24,091
Grants		<u>100,000</u>
Total revenues		<u>181,553</u>

Expenses:

Program services:

Convention		352,403
Policy, research and communication		<u>108,353</u>
Total program services		<u>460,756</u>

Support services:

Governance		69,379
General and administration		<u>84,639</u>
Total support services		<u>154,018</u>

Total expenses 614,774

Net decrease in net assets (433,221)

Net assets, beginning of year 459,856

Net assets, end of year \$ 26,635



See notes to financial statements

UNITY: JOURNALISTS OF COLOR, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2007

	<u>Convention</u>	<u>Policy, research and communication</u>	<u>Governance</u>	<u>General and administration</u>	<u>Total expenses</u>
Salaries	\$ 109,629	\$ 50,693	\$ 23,666	\$ 34,948	\$ 218,936
Payroll taxes	8,751	3,911	1,921	3,756	18,339
Employee benefits	9,426	4,937	3,743	5,146	23,252
Temporary help	195	-	275	595	1,065
Professional fees	131,569	15,312	6,838	14,419	168,138
Office lease	9,000	9,000	9,000	9,000	36,000
Telecommunication	1,997	730	527	585	3,839
Postage and shipping	1,696	208	318	682	2,904
Printing and duplication	4,867	13,750	911	270	19,798
Office supplies	1,900	627	2,290	1,657	6,474
Membership training	1,699	232	371	378	2,680
Insurance	26,046	-	1,018	2,309	29,373
Subscriptions	735	58	77	318	1,188
Marketing and public relations	414	-	-	50	464
Travel	25,340	4,992	14,668	3,227	48,227
Meetings expense	598	2,084	1,468	105	4,255
Bank service charges	1,122	-	3	60	1,185
Meeting space rental	11,944	-	-	-	11,944
Equipment lease/rental	1,633	788	271	304	2,996
Computer supplies	402	51	23	2,567	3,043
Depreciation expense	1,176	543	249	2,207	4,175
Registrations	-	-	-	1,857	1,857
Property taxes	-	-	-	128	128
Meals and Entertainment	2,264	437	1,742	71	4,514
Total expenses	<u>\$ 352,403</u>	<u>\$ 108,353</u>	<u>\$ 69,379</u>	<u>\$ 84,639</u>	<u>\$ 614,774</u>

See notes to financial statements.



UNITY: JOURNALISTS OF COLOR, INC.

STATEMENT OF CASH FLOWS

For the year ended December 31, 2007

Cash flows from operating activities:	
Net decrease in net assets	\$ <u>(433,221)</u>
Adjustments to reconcile net decrease in net assets to net cash provided by operating activities:	
Depreciation and amortization	4,175
Decrease (increase) in assets:	
Accounts receivable	(66,394)
Prepaid expenses	(2,074)
Increase (decrease) in liabilities:	
Accounts payable	2,072
Accrued expenses	(2,178)
Accrued payroll, taxes and withholdings	12,877
Deferred revenue	<u>512,760</u>
Total adjustments	<u>461,238</u>
Net cash provided by operating activities	<u>28,017</u>
Cash flows from investing activities:	
Purchases of fixed assets	<u>(11,315)</u>
Net cash used in investing activities	<u>(11,315)</u>
Net increase in cash	16,702
Cash, beginning of year	<u>478,470</u>
Cash, end of year	\$ <u>495,172</u>



See notes to financial statements

UNITY: JOURNALISTS OF COLOR, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2007

1. Organization

UNITY: Journalists of Color, Inc. (UNITY) is a not-for-profit organization located in McLean, Virginia. UNITY is a strategic alliance advocating fair and accurate news coverage about people of color, and aggressively challenging the industry to staff its organizations at all levels to reflect the nation's diversity. UNITY, representing more than 10,000 journalists of color, is comprised of four national associations: Asian American Journalists Association, National Association of Black Journalists, National Association of Hispanic Journalists, and the Native American Journalists Association. In addition to planning the largest gathering of journalists in the nation every four years, UNITY develops programs and institutional relationships that promote its mission.

2. Summary of significant accounting policies

Basis of accounting

The financial statements are prepared on the accrual basis of accounting. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred.

Cash and cash equivalents

All highly liquid debt instruments with a maturity of three months or less, including money market accounts, are considered cash equivalents.

UNITY had a cash balance in excess of FDIC limits as of December 31, 2007 of \$448,330. The Organization has not experienced any losses in the cash accounts and believes it is not exposed to any significant financial risk on cash. The carrying amount reported in the financial statements approximates fair market value.



UNITY: JOURNALISTS OF COLOR, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2007

Accounts receivable

Accounts are charged to bad debt expense as they are deemed uncollectible based upon a periodic review of the accounts. At December 31, 2007, no allowance for uncollectible accounts was necessary. UNITY believes all receivables are fully collectible.

Property and equipment

Property and equipment are reflected in the financial statements at cost or donated value, net of accumulated depreciation and amortization. Depreciation is computed using the accelerated method over the estimated useful lives of the assets. Major additions and improvements are capitalized. Repairs and maintenance which do not significantly add to the value of assets are expensed as incurred.

Net assets

In accordance with generally accepted accounting principles, net assets are classified into two categories; unrestricted and temporarily restricted. Unrestricted net assets are available for the general operations of UNITY, whereas temporarily restricted net assets arise from contributions, foundation and government grants of cash, or pledges to give cash in the future which are subject to donor-imposed stipulations as to their use for specific programs conducted by UNITY. At December 31, 2007, there were no temporarily restricted net assets

Allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.



UNITY: JOURNALISTS OF COLOR, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2007

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 revenues and expenses and their functional allocation during the reporting period. Actual results could differ from those estimates.

Income taxes

UNITY is exempt from Federal and local income taxes under Section 501(c)(3) of the Internal Revenue Code on any net income derived from activities related to its exempt purpose. UNITY is taxed on net income from unrelated business activities. For the year ended December 31, 2007, UNITY did not generate any net income from unrelated business activities.

3. Property and equipment

The following is a summary of property and equipment held as of December 31, 2007:

Furniture and equipment	\$ 38,374
Leasehold improvements	<u>15,448</u>
Subtotal	53,822
Accumulated depreciation and amortization	<u>(31,316)</u>
Total	<u>\$ 22,506</u>

Depreciation and amortization of property and equipment for the year ended December 31, 2007 was \$4,175.



UNITY: JOURNALISTS OF COLOR, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2007

4. Retirement plan

UNITY sponsors a money purchase, defined contribution retirement plan. All employees who have attained age 21 are eligible to participate after completing 90 days of service. The plan year is January 1 to December 31, and the employer may match up to \$4,500 annually to each eligible employee. UNITY's matching contribution expense for the year ended December 31, 2007 was \$5,960.

5. In-kind contribution

UNITY receives free use of its office space, including use of parking facility and internet services. The annual estimated market value of this in-kind contribution for the year ended December 31, 2007 was \$41,047.

