

UNITY: JOURNALISTS OF COLOR, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2009



HALT BUZAS & POWELL, LTD
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

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CERTIFIED PUBLIC ACCOUNTANTS
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. (a nonprofit organization) as of December 31, 2009, and the related statement of activities, statement of 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: Journalists of Color, Inc.

A review consists principally of inquiries of Organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit 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.

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 01, 2010

UNITY: JOURNALISTS OF COLOR, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2009

ASSETS

Current assets:

Cash and cash equivalents	\$ 945,919
Accounts receivable	51,389
Prepaid expenses	<u>51,784</u>

Total current assets 1,049,092

Property and equipment, net 14,543

Total assets \$ 1,063,635

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 1,654
Accrued expenses	360
Accrued payroll liabilities	10,150
Deferred revenue	<u>50,090</u>

Total current liabilities 62,254

Net assets:

Unrestricted 1,001,381

Total liabilities and net assets \$ 1,063,635



See accompanying notes and accountants' report.

UNITY: JOURNALISTS OF COLOR, INC.
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009

Revenues:	
Contributions	\$ 129,577
In-kind contributions	48,790
Grants	10,000
Program and promotion	2,638
Interest income	646
Other income	<u>1,204</u>
Total revenues	<u>192,855</u>
Expenses:	
Program services:	
Convention	65,246
Policy, research and communication	<u>183,293</u>
Total program services	<u>248,539</u>
Support services:	
General and administration	55,144
Governance	<u>89,722</u>
Total support expenses	<u>144,866</u>
Total expenses	<u>393,405</u>
Decrease in net assets	(200,550)
Net assets, beginning of year	<u>1,201,931</u>
Net assets, end of year	<u>\$ 1,001,381</u>



See accompanying notes and accountants' report.

UNITY: JOURNALISTS OF COLOR, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2009

	<u>Convention</u>	<u>Policy, research and communication</u>	<u>General and administration</u>	<u>Governance</u>	<u>Total expenses</u>
Salaries	\$ 15,516	\$ 95,973	\$ 9,909	\$ 29,235	\$ 150,633
Payroll taxes	1,324	8,324	1,174	2,523	13,345
Employee benefits	1,558	10,170	3,540	4,204	19,472
Temporary help	470	540	-	3,300	4,310
Professional fees	3,058	26,391	14,325	9,994	53,768
Occupancy and rent	9,000	9,000	11,028	9,000	38,028
Telecommunications	522	1,329	606	686	3,143
Postage and shipping	38	1,451	161	338	1,988
Printing and duplication	245	2,019	257	831	3,352
Office supplies	163	1,120	635	1,330	3,248
Membership and training	33	1,623	65	268	1,989
Insurance	381	1,941	380	1,105	3,807
Subscriptions	289	1,972	935	1,360	4,556
Marketing and public relations	347	417	8,481	131	9,376
Travel	6,606	15,410	1,041	19,320	42,377
Meetings and related expenses	-	196	7	4,187	4,390
Bank service charges	48	93	360	54	555
Equipment rental	756	3,425	634	1,328	6,143
Grants to coalition partners	22,776	-	-	-	22,776
Depreciation expense	2,099	969	525	444	4,037
Registrations, licenses and taxes	-	-	475	-	475
Taxes	-	-	132	-	132
Meals and entertainment	17	930	259	84	1,290
Other expenses	-	-	215	-	215
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	\$ <u>65,246</u>	\$ <u>183,293</u>	\$ <u>55,144</u>	\$ <u>89,722</u>	\$ <u>393,405</u>

See accompanying notes and accountant's report.



UNITY: JOURNALISTS OF COLOR, INC.
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2009

Cash flows from operating activities:	
Decrease in net assets	\$ <u>(200,550)</u>
Adjustments to reconcile decrease in net assets to net cash used in operating activities:	
Depreciation and amortization	4,037
Decrease (increase) in assets:	
Accounts receivable	45,267
Prepaid expenses	8,410
Increase (decrease) in liabilities:	
Accounts payable	(1,573)
Accrued expenses	(5,802)
Accrued payroll liabilities	(8,055)
Deferred revenue	<u>(7,990)</u>
Total adjustments	<u>34,294</u>
Net cash used in operating activities	<u>(166,256)</u>
Decrease in cash	(166,256)
Cash, beginning of year	<u>1,112,175</u>
Cash, end of year	<u><u>\$ 945,919</u></u>

See accompanying notes and accountants' report.



UNITY: JOURNALISTS OF COLOR, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

1. Organization

UNITY: Journalists of Color, Inc. (UNITY) is a nonprofit 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, providing an outreach to 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 conducting 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 funds, are considered cash equivalents.

Accounts receivable

Accounts are charged to bad debt expense as they are deemed uncollectible based on a periodic review of accounts. At December 31, 2009, no allowance for uncollectible accounts receivables was considered necessary.



UNITY: JOURNALISTS OF COLOR, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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 an accelerated method over seven years for furniture and fixtures, five years for computer equipment and fifteen years for leasehold improvements. 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 three categories: unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are available for the general operations of UNITY. Temporarily restricted net assets represent resources restricted by donors as to purpose or by passage of time. Permanently restricted net assets represent resources whose use by UNITY is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of UNITY. At December 31, 2009, there were no temporarily restricted or permanently 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.

Salaries are allocated between program, fundraising and management and general classifications based on employee time. The remaining costs are specifically identified to their appropriate classification whenever practical or are allocated based on employee time.



UNITY: JOURNALISTS OF COLOR, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

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 exempt purpose. UNITY is taxed on net income from unrelated business activities. For the year ended December 31, 2009, UNITY did not generate any net income from unrelated business activities.

Accounting for uncertain tax positions

Effective January 1, 2009 the Organization adopted Financial Accounting Standards Board Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes*. In applying FIN 48, organizations will need to determine and assess all material positions taken in any income tax return as of the date they adopt FIN 48, including all significant uncertain positions, in all tax years that are still subject to assessment or challenge by relevant taxing authorities. A benefit related to an uncertain tax position may not be recognized in the financial statements unless it is more likely than not that the position will be sustained on its technical merits. Management of the Organization believes that for all the years still subject to audit by the relevant taxing authorities no material uncertain tax positions should be recognized in the financial statements.



UNITY: JOURNALISTS OF COLOR, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

3. Property and equipment

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

	<u>2009</u>
Furniture and equipment	\$ 39,797
Leasehold improvements	<u>15,448</u>
Subtotal	55,245
Accumulated depreciation and amortization	<u>(40,702)</u>
Total	<u>\$ 14,543</u>

Depreciation and amortization of property and equipment for the year ended December 31, 2009 was \$4,037.

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, 2009 was \$4,725.

5. In-kind contributions

UNITY receives donated office space, including use of a parking facility and internet services. The annual estimated market value of this in-kind contribution for the year ended December 31, 2009 was \$40,800. Additionally, UNITY received in-kind contribution of services in the form of press releases. The value of such services recognized for the year ended December 31, 2009 was \$7,990.



UNITY: JOURNALISTS OF COLOR, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

6. Subsequent events

UNITY has evaluated subsequent events through June 01, 2010, which is the date the financial statements were available to be issued.

