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January 31, 2014

Board of Directors  
United Hispanic-Americans, Inc.  
2424 Fairfield Ave.  
Fort Wayne, IN 46807

We have reviewed the audit report prepared by Krouse, Kern & Co., Inc., Independent Public Accountants, for the period January 1, 2009 to December 31, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the United Hispanic-Americans, Inc., as of December 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

**UNITED HISPANIC-AMERICANS, INC.**

FORT WAYNE, INDIANA

Financial Statements

as of December 31, 2009 and 2008

**UNITED HISPANIC-AMERICANS, INC.**

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December 31, 2009

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June 8, 2010

Board of Directors  
United Hispanic-Americans, Inc.  
Fort Wayne, Indiana

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of the United Hispanic-Americans, Inc., (a non-profit corporation) Fort Wayne, Indiana, as of December 31, 2009 and 2008, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards and Compliance Guidelines for Examination of Entities Receiving Assistance from Governmental Sources, issued by the Indiana State Board of Accounts. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Hispanic-Americans, Inc. as of December 31, 2009 and 2008, and the changes in net assets and its cash flows for the years then ended in conformity with United States generally accepted accounting principles.

  
KROUSE, KERN & CO., INC.

**UNITED HISPANIC-AMERICANS, INC.**

Statements of Financial Position  
December 31, 2009 and 2008

**ASSETS**

<b><i>CURRENT ASSETS:</i></b>	2009	2008
Cash and cash equivalents	\$ 37,875	\$ 55,927
Pledges receivable	-	12,500
Grants receivable	134,500	182,948
Accounts receivable – other	5,048	429
Prepaid expenses	2,421	2,180
<b>Total Current Assets</b>	<b>179,844</b>	<b>253,984</b>
 <b><i>PROPERTY AND EQUIPMENT</i></b>	 1,890,758	 1,933,325
LESS: Accumulated depreciation	(318,387)	(318,672)
<b>Net Property and Equipment</b>	<b>1,572,371</b>	<b>1,614,653</b>
 <b><i>OTHER ASSETS:</i></b>		
Grants receivable – long term	80,000	-
Cash surrender value – life insurance policy (net of policy loans of \$30,000 and \$25,000 as of December 31, 2009 and 2008, respectively)	4,528	3,451
<b>Total Other Assets</b>	<b>84,528</b>	<b>3,451</b>
 <b>TOTAL ASSETS</b>	<b>\$ 1,836,743</b>	<b>\$ 1,872,088</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b><i>CURRENT LIABILITIES:</i></b>		
Accounts payable	\$ 5,491	\$ 18,939
Accrued payroll taxes	2,586	2,902
Accrued expenses	19,229	22,059
Line of credit payable – Chase Bank	29,000	69,452
Line of credit payable – Markle Bank	339,985	-
Note payable – Markle Bank	6,558	849,985
<b>Total Current Liabilities</b>	<b>402,849</b>	<b>963,337</b>
 <b><i>NON-CURRENT LIABILITIES:</i></b>		
Note payable – Markle Bank	492,418	-
 <b><i>NET ASSETS:</i></b>		
Unrestricted	578,973	605,796
Temporarily restricted	362,503	302,955
<b>Total Net Assets</b>	<b>941,476</b>	<b>908,751</b>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,836,743</b>	<b>\$ 1,872,088</b>

See Notes to Financial Statements.

**UNITED HISPANIC-AMERICANS, INC.**

Statement of Activities  
for the year ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><i>SUPPORT, GRANTS AND REVENUES:</i></b>			
Grants	\$ 364,936	\$ 354,170	\$ 719,106
Contributions	46,527	-	46,527
Program fees	1,639	-	1,639
Special events	32,893	-	32,893
Interest income	171	-	171
Increase in cash value of life insurance	6,076	-	6,076
Net assets released from restriction	294,622	(294,622)	-
<b>Total Support, Grants and Revenues</b>	<u>746,864</u>	<u>59,548</u>	<u>806,412</u>
<b><i>EXPENSES:</i></b>			
<u>Program Services:</u>			
Arts/music programs	29,382	-	29,382
Education/tutoring	269,832	-	269,832
Employment/housing	47,044	-	47,044
Outreach	-	-	-
Tobacco program	130,851	-	130,851
Youth/social development	191,904	-	191,904
<b>Total Program Services Expense</b>	<u>669,013</u>	<u>-</u>	<u>669,013</u>
<u>Supporting Services:</u>			
Management and general	75,675	-	75,675
Fundraising	28,999	-	28,999
<b>Total Supporting Services Expense</b>	<u>104,674</u>	<u>-</u>	<u>104,674</u>
<b>Total Expenses</b>	<u>773,687</u>	<u>-</u>	<u>773,687</u>
<b><i>CHANGE IN NET ASSETS</i></b>	<b>(26,823)</b>	<b>59,548</b>	<b>32,725</b>
<b><i>NET ASSETS, BEGINNING OF YEAR</i></b>	<u>605,796</u>	<u>302,955</u>	<u>908,751</u>
<b><i>NET ASSETS, END OF YEAR</i></b>	<u><u>\$ 578,973</u></u>	<u><u>\$ 362,503</u></u>	<u><u>\$ 941,476</u></u>

See Notes to Financial Statements.

**UNITED HISPANIC-AMERICANS, INC.**

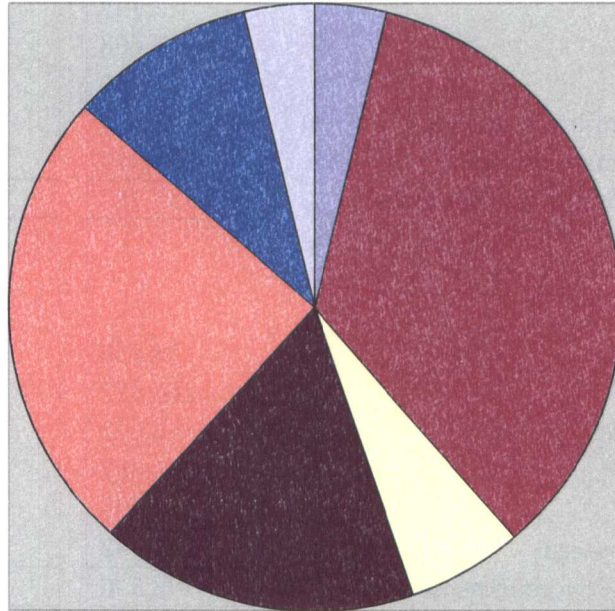
Statement of Activities  
for the year ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b><i>SUPPORT, GRANTS AND REVENUES:</i></b>			
Grants	\$ 267,392	\$ 232,875	\$ 500,267
Contributions	45,830	-	45,830
Program fees	2,147	-	2,147
Special events	25,608	-	25,608
Interest income	1,260	-	1,260
Increase in cash value of life insurance	5,175	-	5,175
Net assets released from restriction	388,350	(388,350)	-
<b>Total Support, Grants and Revenues</b>	<b><u>735,762</u></b>	<b><u>(155,475)</u></b>	<b><u>580,287</u></b>
<b><i>EXPENSES:</i></b>			
<u>Program Services:</u>			
Arts/music programs	38,550	-	38,550
Education/tutoring	266,527	-	266,527
Employment/housing	56,692	-	56,692
Outreach	1,382	-	1,382
Tobacco program	110,203	-	110,203
Youth/social development	275,182	-	275,182
<b>Total Program Services Expense</b>	<b><u>748,536</u></b>	<b><u>-</u></b>	<b><u>748,536</u></b>
<u>Supporting Services:</u>			
Management and general	81,348	-	81,348
Fundraising	49,336	-	49,336
<b>Total Supporting Services Expense</b>	<b><u>130,684</u></b>	<b><u>-</u></b>	<b><u>130,684</u></b>
<b>Total Expenses</b>	<b><u>879,220</u></b>	<b><u>-</u></b>	<b><u>879,220</u></b>
<b><i>CHANGE IN NET ASSETS</i></b>	<b>(143,458)</b>	<b>(155,475)</b>	<b>(298,933)</b>
<b><i>RELEASE OF DESIGNATION – PLEDGES</i></b>	<b>(40,000)</b>	<b>-</b>	<b>(40,000)</b>
<b><i>NET ASSETS, BEGINNING OF YEAR</i></b>	<b><u>789,254</u></b>	<b><u>458,430</u></b>	<b><u>1,247,684</u></b>
<b><i>NET ASSETS, END OF YEAR</i></b>	<b><u>\$ 605,796</u></b>	<b><u>\$ 302,955</u></b>	<b><u>\$ 908,751</u></b>

See Notes to Financial Statements.

**UNITED HISPANIC-AMERICANS, INC.**

Statement of Functional Expenses  
for the year ended December 31, 2009



■ Arts/Music - 3.8%	■ Education / Tutoring - 34.9%
□ Employment / Housing - 6.1%	□ Outreach - 0%
■ Tobacco Program - 16.9%	■ Youth/Social Development - 24.8%
■ Management & General - 9.8%	□ Fundraising - 3.7%

**UNITED HISPANIC-AMERICANS, INC.**

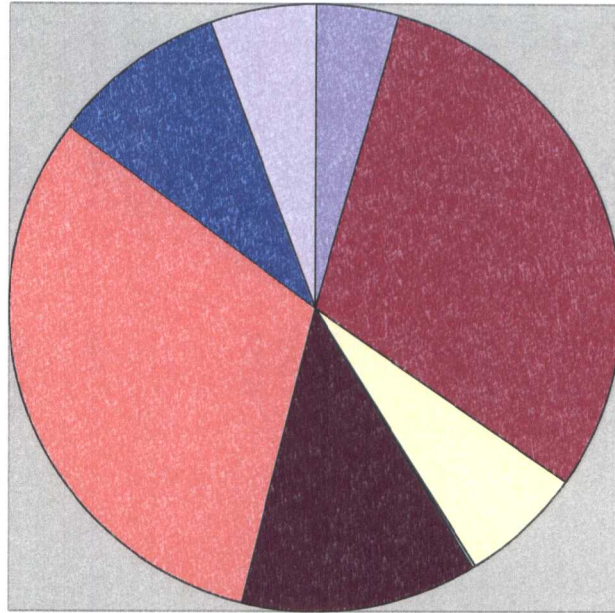
Statement of Functional Expenses  
for the year ended December 31, 2009

	Program Services										Supporting Services		
	Arts/Music Programs	Education / Tutoring	Employment/ Housing	Outreach	Tobacco Program	Youth/Social Development	Total	Management and General	Fund Raising	Total Expenses			
Conferences and meetings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 277	\$ -	\$ 277		\$ -	\$ 277
Employee benefits	251	1,916	384	-	959	1,576	5,086	2,718	1,696	9,500			
Interest expense	1,863	14,219	2,851	-	7,118	11,695	37,746	8,463	1,247	47,456			
Occupancy	895	6,833	1,370	-	3,420	5,620	18,138	6,046	6,046	30,230			
Other expense	-	4,000	-	-	-	-	4,000	3,982	-	7,982			
Payroll taxes	1,664	12,698	2,546	-	6,356	10,443	33,707	1,735	1,113	36,555			
Postage	20	154	31	-	77	127	409	136	136	681			
Printing and publications	40	307	62	-	154	253	816	272	272	1,360			
Professional fees	-	10,800	-	-	-	-	10,800	11,815	-	22,615			
Program expense	-	-	4,409	-	21,820	-	26,229	-	-	26,229			
Repairs and maintenance	237	1,807	362	-	905	1,486	4,797	1,599	1,599	7,995			
Salaries and wages	20,147	153,735	30,823	-	76,954	126,440	408,099	21,009	13,480	442,588			
Scholarships	-	-	-	-	-	-	-	1,000	-	1,000			
Special events	-	-	-	-	-	-	-	12,313	723	13,036			
Supplies	1,731	4,723	-	-	-	16,788	23,242	-	-	23,242			
Telephone	167	1,275	256	-	638	1,048	3,384	1,128	1,128	5,640			
Transportation	-	37,179	-	-	-	-	37,179	-	-	37,179			
Travel	-	2,119	328	-	3,406	1,569	7,422	752	-	8,174			
Vehicle expenses	37	286	57	-	143	235	758	-	-	758			
	<u>27,052</u>	<u>252,051</u>	<u>43,479</u>	<u>-</u>	<u>121,950</u>	<u>177,280</u>	<u>621,812</u>	<u>73,245</u>	<u>27,440</u>	<u>722,497</u>			
Depreciation	2,330	17,781	3,565	-	8,901	14,624	47,201	2,430	1,559	51,190			
<b>Total Expenses</b>	<b>\$ 29,382</b>	<b>\$ 269,832</b>	<b>\$ 47,044</b>	<b>\$ -</b>	<b>\$ 130,851</b>	<b>\$ 191,904</b>	<b>\$ 669,013</b>	<b>\$ 75,675</b>	<b>\$ 28,999</b>	<b>\$ 773,687</b>			

See Notes to Financial Statements.

**UNITED HISPANIC-AMERICANS, INC.**

Statement of Functional Expenses  
for the year ended December 31, 2008



■ Arts/Music - 4.4%	■ Education / Tutoring - 30.3%
□ Employment / Housing - 6.4%	□ Outreach - .2%
■ Tobacco Program - 12.5%	■ Youth/Social Development - 31.3%
■ Management & General - 9.3%	■ Fundraising - 5.6%

**UNITED HISPANIC-AMERICANS, INC.**

Statement of Functional Expenses  
for the year ended December 31, 2008

	Program Services							Supporting Services		Total Expenses
	Arts/Music Programs	Education / Tutoring	Employment/Housing	Outreach	Tobacco Program	Youth/Social Development	Total	Management and General	Fund Raising	
Conferences and meetings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301	\$ -	\$ 301
Employee benefits	218	1,181	319	-	569	1,462	3,749	1,396	1,250	6,395
Interest expense	2,604	14,083	3,800	-	6,790	17,440	44,717	5,854	2,244	52,815
Occupancy	1,156	6,255	1,688	-	3,016	7,746	19,861	6,620	6,620	33,101
Other expense	-	7,000	-	-	-	-	7,000	4,069	-	11,069
Payroll taxes	2,138	11,561	3,120	-	5,574	14,317	36,710	2,398	1,842	40,950
Postage	39	213	58	-	103	264	677	226	226	1,129
Printing and publications	136	734	198	-	354	908	2,330	776	776	3,882
Professional fees	-	6,600	-	-	-	-	6,600	10,251	-	16,851
Program expense	-	-	3,104	1,182	13,450	-	17,736	-	-	17,736
Repairs and maintenance	731	3,952	1,066	-	1,905	4,894	12,548	4,183	4,183	20,914
Salaries and wages	25,394	137,342	37,061	-	66,223	170,085	436,105	28,488	21,886	486,479
Scholarships	-	-	-	-	-	-	-	1,500	-	1,500
Special events	-	-	-	-	-	-	-	9,563	6,081	15,644
Supplies	2,102	4,315	-	-	-	29,914	36,331	-	-	36,331
Telephone	175	944	255	-	455	1,169	2,998	999	999	4,996
Transportation	-	47,089	-	-	-	-	47,089	-	-	47,089
Travel	-	4,396	394	200	1,705	1,148	7,843	521	-	8,364
Vehicle expenses	111	601	162	-	290	744	1,908	-	-	1,908
	<u>34,804</u>	<u>246,266</u>	<u>51,225</u>	<u>1,382</u>	<u>100,434</u>	<u>250,091</u>	<u>684,202</u>	<u>77,145</u>	<u>46,107</u>	<u>807,454</u>
Depreciation	3,746	20,261	5,467	-	9,769	25,091	64,334	4,203	3,229	71,766
<b>Total Expenses</b>	<b>\$ 38,550</b>	<b>\$ 266,527</b>	<b>\$ 56,692</b>	<b>\$ 1,382</b>	<b>\$ 110,203</b>	<b>\$ 275,182</b>	<b>\$ 748,536</b>	<b>\$ 81,348</b>	<b>\$ 49,336</b>	<b>\$ 879,220</b>

See Notes to Financial Statements.

**UNITED HISPANIC-AMERICANS, INC.**

Statements of Cash Flows  
for the years ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES:</i></b>		
Change in net assets	\$ 32,725	\$ (298,933)
Release of designation – pledges	-	(40,000)
Adjustments to Reconcile Change in Net Assets to Cash		
Flows From Operating Activities:		
Depreciation	51,190	71,766
Increase in cash value of life insurance policy	(6,077)	(5,174)
Changes in Operating Assets and Liabilities:		
Receivables	(23,671)	274,789
Prepaid expenses	(242)	203
Accounts payable	(13,448)	12,002
Accrued expenses and payroll taxes	(3,146)	8,604
Net Cash Flows From Operating Activities	<u>37,331</u>	<u>23,257</u>
 <b><i>CASH FLOWS FROM INVESTING ACTIVITIES:</i></b>		
Purchase of property and equipment	<u>(8,907)</u>	<u>(1,500)</u>
 <b><i>CASH FLOWS FROM FINANCING ACTIVITIES:</i></b>		
Net proceeds from (payments on) line of credit	(40,452)	64,952
Proceeds from life insurance loan	5,000	25,000
Payments on long-term debt	<u>(11,024)</u>	<u>(100,015)</u>
Net Cash Flows From Financing Activities	<u>(46,476)</u>	<u>(10,063)</u>
 Net increase (decrease) in cash	(18,052)	11,694
 Cash and cash equivalents, beginning of year	<u>55,927</u>	<u>44,233</u>
 <b><i>CASH AND CASH EQUIVALENTS, END OF YEAR</i></b>	<u>\$ 37,875</u>	<u>\$ 55,927</u>
 <b><i>SUPPLEMENTARY CASH FLOW INFORMATION:</i></b>		
Interest paid (net of amount capitalized)	<u>\$ 48,918</u>	<u>\$ 47,237</u>

See Notes to Financial Statements.

# UNITED HISPANIC-AMERICANS, INC.

## Notes to Financial Statements

### NOTE 1. NATURE OF ACTIVITIES

The mission of the United Hispanic-Americans, Inc. (the "Organization") is to promote the advancement of Hispanic Americans through leadership development, youth activities, and cultural education. The Organization's support is derived from local, state and federal grants and public contributions.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

#### ***FINANCIAL REPORTING:***

##### Method of Accounting:

The financial statements of the Organization have been prepared on the accrual basis.

The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117 (FASB ASC 958-205), *Financial Statements of Not-for-Profit Organizations*. FASB ASC 958-205 requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows.

##### Contributions:

The Organization accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, (FASB ASC 958-605), *Accounting for Contributions Received and Contributions Made*. In accordance with FASB ASC 958-605 contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose of restrictions. Contributions that are restricted or temporarily restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

##### Unrestricted Net Assets:

The balance of resources over which the Board of Directors has discretionary control.

# UNITED HISPANIC-AMERICANS, INC.

## Notes to Financial Statements (Continued)

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *FINANCIAL REPORTING:* (Continued)

##### Temporarily Restricted Net Assets:

Contributions that are restricted by donors for a specific purpose. Restricted contributions are reported as temporarily restricted net assets in the period in which the contributions are received and transferred to unrestricted net assets when the restrictions have been met.

##### 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Pledges and Grants Receivable:

Capital and other donor-restricted pledges are recorded as contributions to temporarily restricted net assets. Pledges receivable over a period of years are valued at the discounted value of future cash flows using the organization's latest borrowing rate. The difference between the full amount and the discounted value of the pledge or grant is recognized as an additional contribution over the life of the pledge or grant.

The Organization considers pledges and grants receivable to be fully collectible; accordingly, no allowance for doubtful pledges and grants is provided. If amounts become uncollectible, they are charged to operations when that determination is made. Any difference between this method and the allowance method required under generally accepted accounting principles would be immaterial.

All long-term pledge and grant receivables are due within one to two years as of December 31, 2009 and 2008.

##### Property and Equipment:

The Organization records property and equipment at cost, if purchased, or at estimated fair market value, if donated, and provides for depreciation over the estimated useful life of the asset using the straight-line method. Estimated useful lives range from five to thirty-nine years. Costs and related accumulated depreciation are removed from the accounts for assets retired from service and a gain or a loss on disposition is recorded when realized. Expenditures for normal repairs and maintenance are charged to expense as incurred.

# UNITED HISPANIC-AMERICANS, INC.

## Notes to Financial Statements (Continued)

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *FINANCIAL REPORTING:* (Continued)

##### Income Taxes:

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Consequently, there is no provision for Federal or State taxes. However, the Organization may be subject to federal and state income taxes on unrelated business income as defined in the Internal Revenue Code.

The Organization adopted the provisions of FASB Interpretation No. 48-3, *Accounting for Uncertainty in Income Taxes* (FASB ASC 740-10), as of January 1, 2009. As a result of the implementation, the Organization has assessed and determined that there are no positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within twelve months as of December 31, 2009.

The Organization files information returns in the U.S. federal jurisdiction and the State of Indiana. The Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for tax years before 2006.

##### Cash Equivalents:

The Organization considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

##### Concentration of Credit Risk:

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and pledges and grants receivable. The Organization maintains cash and cash equivalents with highly rated institutions. At times, such amounts may be in excess of the FDIC insured limit. The Organization, periodically, assesses the financial strength of its contributors and grantors and, as a consequence, believes that its pledges and grants receivable credit risk exposure is limited.

The Organization receives a substantial amount of its support from federal, state and local governments in the form of grants. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's programs and activities.

**UNITED HISPANIC-AMERICANS, INC.**

Notes to Financial Statements (Continued)

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***FINANCIAL REPORTING:*** (Continued)

Concentration of Credit Risk: (Continued)

Subsequent to December 31, 2009, the Organization was informed that their 21<sup>st</sup> Century Grant (“Grant”) would not be renewed after May 2010. The expected loss of revenue of approximately \$175,000 for the remainder of 2010 will be offset by a reduction in expenses associated with this Grant of approximately the same amount. Management feels that this will not significantly affect the Organization’s operations in 2010 and beyond.

Donated Goods and Services:

In-kind contributions are reflected as contributions at their estimated fair value at date of donation and are reported as unrestricted support unless explicit donor stipulations specify how donated assets must be used. These amounts have been reported as both in-kind contribution revenue and expenses on the statements of activities. The Organization recognizes the fair value of contributed services received if such services a) create or enhance non-financial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The Organization receives services from a large number of volunteers who give significant amounts of their time to the Organization’s programs and fund-raising campaigns but which do not meet the criteria for financial statement recognition.

Functional Expenses:

Operating expenses directly identifiable with a functional area are charged to that area and, where expenses affect more than one area, they are allocated on the basis of ratios determined by management.

# UNITED HISPANIC-AMERICANS, INC.

## Notes to Financial Statements (Continued)

### NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2009	2008
Building and improvements	\$ 1,658,679	\$ 1,658,679
Equipment	127,379	169,946
Land	70,000	70,000
Vehicles	34,700	34,700
	<u>1,890,758</u>	<u>1,933,325</u>
Less: Accumulated depreciation	<u>(318,387)</u>	<u>(318,672)</u>
Net Property and Equipment	<u>\$ 1,572,371</u>	<u>\$ 1,614,653</u>

### NOTE 4. NOTE PAYABLE

The Organization has a note payable with Markle Bank. The note was re-negotiated in 2009 and split into two loans, a \$500,000 mortgage and an interest only line of credit of \$339,985. The note calls for interest at the Prime Rate in 2008 and a fixed rate in 2009, (5.75% and 4.25% as of December 31, 2009 and 2008, respectively) and semi-annual payments of \$200,000 through June 6, 2008 and quarterly payments of \$8,769 beginning in July 2009. The note matures on May 21, 2039 and borrowings on the note are collateralized by substantially all of the Organization's assets. The outstanding balance on the note as of December 31, 2009 and 2008 was \$498,976 and \$849,985, respectively.

Future minimum principle payments on long term debt for the next five years and beyond are as follows:

2010	\$ 6,558
2011	6,943
2012	7,351
2013	7,783
2014	8,240
Future	<u>462,101</u>
	<u>\$ 498,976</u>

### NOTE 5. LINES OF CREDIT

The Organization has a revolving \$70,000 line of credit agreement with Chase Bank. The line of credit bears interest at the Prime Rate plus 2.0% (5.25% at December 31, 2009 and 2008). Borrowings from the line are collateralized by the Organizations' assets with the exception of land, building and building improvements. There was \$29,000 and \$69,452 borrowed against the line as of December 31, 2009 and 2008, respectively.

# UNITED HISPANIC-AMERICANS, INC.

## Notes to Financial Statements (Continued)

### NOTE 5. LINES OF CREDIT (Continued)

The Organization has a \$339,985 line of credit agreement with Markle Bank requiring quarterly interest payments of \$4,344 and a lump sum payment of \$344,188 upon maturity at May 21, 2010. The line of credit bears interest at the Prime Rate plus 1.75% (5.00% at December 31, 2009). Borrowings from the line are collateralized by substantially all of the Organization's assets. There was \$339,985 borrowed against the line as of December 31, 2009.

### NOTE 6. TEMPORARILY RESTRICTED NET ASSETS

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

	2009	2008
Capital improvements	\$ -	\$ 7,657
Education/tutoring	125,000	125,000
Employment	12,899	-
General operations	60,833	80,833
Tobacco program	124,200	54,090
Youth development	39,571	35,375
Total	<u>\$ 362,503</u>	<u>\$ 302,955</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors.

Purpose restrictions accomplished as of December 31:

	2009	2008
Capital improvements	\$ 7,657	\$ -
Education/tutoring	125,000	107,144
General operations	72,500	86,767
Tobacco program	54,090	90,152
Youth development	35,375	104,287
Total	<u>\$ 294,622</u>	<u>\$ 388,350</u>

### NOTE 7. SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 8, 2010, the date the financial statements were available to be issued.