

# The League of United Latin American Citizens



2004 Annual Report

## Mission Statement

*The Mission of the League of United Latin American Citizens (LULAC) is to advance the economic condition, educational attainment, political influence, health, and civil rights of the Hispanic population of the United States. Over the past 75 years, we have been able to make a significant impact on the lives of Hispanics nationwide.*

## A MESSAGE

# from the President and Executive Director



Dear Friends,  
It is no overstatement to say that LULAC's 75<sup>th</sup> anniversary year was not only our most successful ever, but one that has seen our organization reinvigorated with new programs, stronger advocacy and a growing, united membership. We began the year celebrating LULAC's tremendous legacy as the pioneering Latino civil rights and service organization and we close out the year forging ahead with new initiatives and programs that promise to take the Latino community to new heights. Along the way we hosted

a record-breaking national convention that once again set the standard for grass-roots activism and training in the Hispanic community, provided scholarships and educational programs to more than 20,000 Latino students, defended the rights of thousands, and registered over 9,000 voters in the first phase in of the LULAC Voter Project in Arizona, Colorado, New Mexico, and Texas.

One of the main reasons LULAC has been so successful over 75 years is our active volunteer membership that is the hallmark of our organization. With committed volunteers like you we are able to administer hundreds of service and advocacy programs that are vital to our community. Together with the tremendous support that we receive from our corporate, foundation, and government sponsors, LULAC is making tremendous strides in improving the economic condition, educational attainment, political influence, health, and civil rights of the Latino population of the United States.

I want to thank each and every one of you that has helped to make LULAC the premier Hispanic organization that it is today. With your support we will ensure that LULAC continues to build upon our historic mission to improve the quality of life for Latinos across the country. I am proud to lead this organization into another year and look forward to working with you to bring hope to our communities. As the nation's oldest, largest, and most accomplished Hispanic civil rights organization we have much to be proud of, yet our best years are still ahead. Que viva LULAC!

Sincerely,

Hector M. Flores  
LULAC National President

*LULAC continued to build upon its tremendous record of accomplishment this year with the announcement of the LULAC Leadership Initiative—a landmark effort to revitalize Latino neighborhoods from within by creating innovative grass roots programs in over 500 Hispanic communities served by LULAC Councils. The LULAC Leadership Initiative will provide our volunteer members with model programs, training and resources designed to strengthen and improve the services they offer to Latinos in their communities.*

Brent Wilkes, Executive Director



# National Board of Directors

## 2004-2005

Hector M. Flores  
*National President*

Rick Dovalina  
*Immediate Past President*

Frank Ortíz  
*National Treasurer*

Arlinda Arriaga  
*National Youth President*

Angie Garcia  
*VP for the Elderly*

Margaret Moran  
*VP for Women*

Javier Montanez  
*VP for Youth*

Joe Cardenas III  
*VP for Young Adults*

Dave Rodriguez  
*VP for Far West*

Blanca Vargas  
*VP for Midwest*

Laura Medrano  
*VP for Northeast*

Maria Rodriguez-Salazar  
*VP for Northwest*

Haydée Rivera  
*VP for Southeast*

Rosa Rosales  
*VP for Southwest*

### *State Directors*

Samuel Esquivel  
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Shawn McGrew  
*Arkansas*

Angel G. Luevano  
*California*

Steve Garcia  
*Colorado*

Ada Peña  
*District of Columbia*

Anita De Palma  
*Florida*

Gilbert Romero  
*Illinois*

Ruben Martinez  
*Indiana*

Gilbert Sierra  
*Iowa*

Michael Martinez  
*Kansas*

Regla Gonzalez  
*Massachusetts*

Augustin Sanchez  
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Tencha Vasquez Wilcox  
*Missouri*

Nicholas Martinez  
*Nevada*

Frank Cordova  
*New Mexico*

Frank Cordova  
*Oklahoma*

Carmen I. Cruz  
*Puerto Rico*

Roger C. Rocha  
*Texas*

Maria Eugenia del Villar  
*Virginia*

Yolanda Santos Adams  
*Wisconsin*

### *Non-Voting Members*

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*National Executive Director*

Roman Palomares  
*Chief of Staff*

Carolina Muñoz  
*Chief Financial Officer*

Theresa Venegas Filberth  
*National Secretary*

Adrian Rodriguez  
*National Parliamentarian*

Richard Roybal  
*LNESC Executive Director*

Ray Velarde  
*Legal Advisor*

Luis Vera  
*General Counsel*

### *Past National Presidents*

Albert Armendariz

Ruben Bonilla

Tony Bonilla

William Bonilla

Paul Garza, Jr.

Manuel Gonzalez

Alfred J. Hernandez

Eduardo Morga

Dr. Jose Maldonado

Oscar Moran

Mario Obledo

Ed Peña

Belen Robles

Frank Valdez

Pete Villa

# LULAC Institute and National Staff

## 2004-2005

### *LULAC Institute*

Hector M. Flores  
*President*

Rosa Rosales  
*Vice President*

Frank Ortiz  
*Treasurer*

Dave Rodríguez  
*Secretary*

Raquel Egusquiza  
*Ford Motor Company Fund*

Ana Lorena Hart  
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Laura Medrano  
*VP for Northeast*

Haydee Rivera  
*VP for Southeast*

Maria D. Rodriguez-Salazar  
*VP for Northwest*

Blanca Vargas  
*VP for Midwest*

Norma Williams  
*Shell Oil Company*

*Non-Voting Member*

Luis Vera  
*Legal Advisor*

### *National Staff*

Brent Wilkes  
*National Executive Director*

Dr. Gabriela Lemus  
*Director of Policy and Legislation*

Lorraine Quiroga Mullaly  
*Communications Manager*

Carlos Zapata  
*Special Events Coordinator*

Miguel Fernandez  
*Program Development Coordinator*

Emma Moreno  
*Director of Federal Relations*

Carolina Muñoz  
*Chief Financial Officer*

Lupe Morales  
*Membership Coordinator*

Sandra Caraveo  
*Assistant*

Richard Rodriguez  
*Executive Office Manager*

### *Credits*

Lorraine Quiroga Mullaly  
*Editor and Designer*

Luis Nuño Briones  
*Photographer*

Javier Montanez  
*Photographer*

Dr. Gabriela Lemus  
*Photographer*

## Education



*“Our goal is to provide the highest quality educational opportunities to the Hispanic community.”*

-LNE National Executive  
Director Richard Roybal

LULAC has always made a concentrated effort toward educating our community members. In fact, LULAC started a program called the “Little School of the 400” which led to the nationwide incredibly successful Head Start program. In addition, LULAC played a major part in leading the effort to desegregate schools in the Southwest region of the U.S.

Since 1973, the LULAC National Education Service Centers (LNE), has made a significant impact in Hispanic educational attainment. Through an array of exceptional educational and leadership development programs LNE has contributed to the academic success of 400,000 promising Hispanic and disadvantaged students and has provided over 13 million dollars to nearly 25,000 minority scholars.

### **LULAC’s Education Programs Include:**

- **LULAC National Scholarship Fund**

Through its network of councils, LULAC raises scholarship funds from across the country. Each dollar raised by the councils is matched at a percentage by corporate contributions to the Fund. Annually, LNE works with over 22 corporations and 75 councils to award over \$700,000 to students across the U.S. and Puerto Rico.

- **Young Readers program**

An interactive and family oriented course designed to instill a love of reading, promote communication skills, writing ability, comprehension levels, and build self-esteem.

- **Hispanic Leadership Opportunity Program**

A leadership development program that introduces high school participants to servant leadership through lecture and interaction with local political, civil, and corporate leaders.



- **Science Corps**



A program that brings awareness of science, math, and engineering fields to the Hispanic community by providing an interactive and hands on approach to learning about career options in the “hard sciences.” This year the Ford Motor Company donated one million toward the LULAC Ford PAS Science Corps program.

- **Washington Youth Leadership Seminar**

A three day annual event cosponsored by LULAC and LNECS that brings together fifty existing and emerging student leaders in grades 11 and 12 from across the country and Puerto Rico to Washington, D.C. to work on public policy issues and meet with national leaders from Congress, corporate America and other governmental and private institutions.



*“We must consider our youth our top priority for they hold the key to tomorrow. One of LULAC’s main goals is to lower the drop-out rate and raise the college graduation rate of our youth. LULAC’s programs make a tremendous impact in these areas.”*

- LULAC National President  
Hector Flores

## Advocacy



- **Advocacy**

LULAC acts as a government affairs liaison by monitoring legislation and providing the Hispanic perspective before the U.S. Congress in the areas of civil rights, immigration, affirmative action, and trade.

- **Media**

LULAC serves as an authoritative voice for Hispanic issues to media outlets around the country. In addition, LULAC is waging a major campaign to gain access to the media by documenting the lack of accurate representation of Latinos and issues on prime time television.

- **Immigration and Citizenship**

This program assists individuals applying for U.S. citizenship to complete their applications and to place them in citizenship classes. The program also works closely with LULAC councils throughout the country to provide outreach to the immigrant community and set up citizenship and English classes when needed.

- **Voter Education & Registration**

LULAC's national voter education and registration campaign increases Hispanic participation in the democratic process by engaging local councils in registering and educating voters about important issues. In the first phase of the project LULAC was able to meet its goal of registering over 9,000 voters in Arizona, Colorado, and Texas.

- **Civil Rights Conference**

This conference raises the level of understanding and awareness regarding civil rights issues in education, housing, immigration, voting rights, employment, contracting, and lending opportunities. The LULAC Civil Rights commission hosts community members, government representatives and corporate representatives to develop strategies that advance the civil rights of Hispanic Americans.





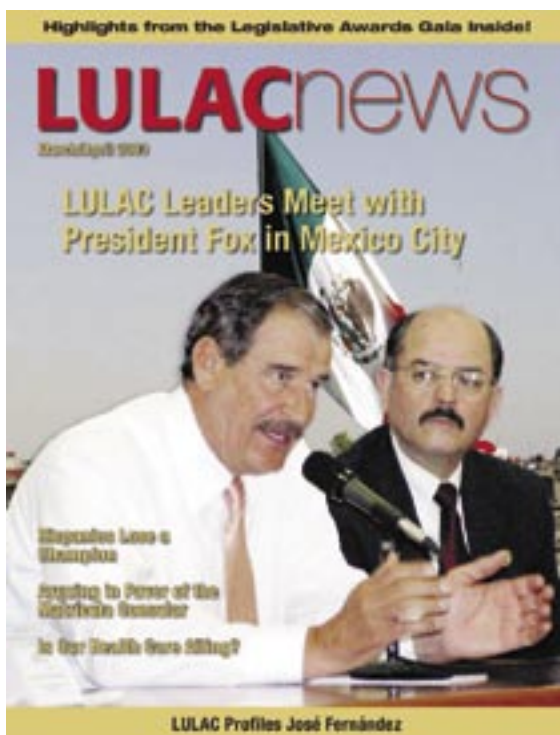


- **Women's Conference**

The LULAC Women's Conference brings together women from across the country to develop leadership and employment programs for Hispanic women. The workshops feature advocacy training; conducting a job search; opportunities in higher education; and Hispanic women's health issues. This year's conference was very successful. Workshops focused on health issues, political empowerment, and financial investment.

- **LULAC News Magazine**

This full color magazine features insightful articles about issues of concern for Hispanic Americans, LULAC's policy positions, program updates, and regional news from 700 councils from across the United States and Puerto Rico. The magazine is mailed to 115,000 members and to offices of key Hispanic leaders, organizations, elected and appointed officials and our corporate sponsors.



## Membership and Service



- **Membership**

LULAC members are the driving force behind significant advancements and improvements to the quality of life for Hispanics across the country. Since LULAC's founding, our members have not wavered in their determination to end discrimination and injustice for Latinos living in the United States. LULAC has developed national and community-based programs to address the needs of the Hispanic community and to ensure that this nation's workforce obtains the necessary education and skills to keep America productive. LULAC members are dedicated to exerting their efforts individually and collectively on behalf of all those who need our help.

- **Members in Action**

LULAC members work as a team in councils across the United States. These councils participate in a number of activities that improve the quality of life of those in their communities. For example, many councils hold fundraisers for scholarships; host health fairs; serve as mentors for young people; and conduct voter registration drives. This year many LULAC councils were able to make a big difference by raising money and collect items to assist immigrants that were harmed during the Florida hurricane season. Some councils form to specifically meet certain needs in the community including supporting the elderly, the disabled, and farmworkers.





### ▪ Youth Members

LULAC Youth are the emerging leaders of today. LULAC Youth councils have been founded and chartered by high school students across the country. Youth councils can be found in high schools and some are community based but regardless of their structure they all have the same mission. LULAC Youth members are dedicated volunteers continuously addressing their community's needs through community service, academic achievement, and leadership.

Youth members spread the importance of lending a helping hand not only to those in need, but also to their local communities. LULAC Youth councils participate in blood drives; fundraising for leadership conferences and training; community forums; voter registration drives; serving the homeless; can food drives; mentoring at local elementary schools; toy drives; adopt the troop projects; volunteering for computers at home program; promoting cultural awareness; health awareness such as: walking in support of juvenile diabetes, breast cancer awareness, and the American heart walk, as well as drug prevention and stay in school projects.

Most LULAC Youth members advance to graduate from high school and continue on to college. Youth members build successful career paths leading to continuous service to their communities in some form.



## Federal Training Institute



The Federal Training Institute (FTI) is dedicated to the belief that increasing the knowledge and skills of staff through educational opportunities contribute to the advancement of human fulfillment. Therefore, a well-educated and informed workforce will be able to adapt and better respond to the future challenges of their agencies. We are committed to providing support, training, and development needed to keep abreast of these changes. Our core values facilitate education opportunities that provide and enhance the skills necessary to progress and develop within and beyond individual potentials.



*The Federal Training Institute is committed to providing quality educational opportunities to develop and enable participants to realize their potential by strengthening their knowledge, skills, and educational values. We provide continuing education by expanding opportunities for personal growth and fostering the development and dissemination of public policies and social change activities.*

*- FTI Mission Statement*



In its 20th year, FTI continues to serve as a resource for federal agencies in their efforts to comply with Executive Order 13171 that seeks to improve the recruitment of Hispanics and calls on agencies to offer improved career development opportunities for Hispanics in the federal workforce. In partnership with the Office of Personnel Management, and Graduate School USDA, FTI offers a unique training opportunity for government agencies to meet the challenges of the Order and keep pace with changing needs.

Opportunities for joint relevant community initiatives of importance to the Hispanic community have been created through Memoranda of Understanding with the Departments of Agriculture, Defense, U.S. Air Force, and Transportation.



Attendance at the FTI state of the art Core Leadership Training has provided thousands of senior and midlevel federal employees the opportunity to participate in the development of characteristics and competencies essential to the changing federal culture. Attendance has resulted in supporting documentation for inclusion in training records leading to positive career development and growth opportunities.

FTI Planning Committee members and government subject matter experts contribute to the development and implementation of the FTI training agenda and the FTI Youth Federal Career Exploration Forum. They represent the following departments and agencies: Agriculture, Census Bureau, Commerce, Defense, Energy, Environmental Protection Agency, Health and Human Services, Housing and Urban Development, Interior, Justice, Labor, Veterans Administration, Office of Personnel Management, Patent Trademark Office, and the Social Security Administration.

The FTI Federal Career Exploration Forum, hosted by the LULAC Youth Convention welcomed over 700 middle and high school, college and university students, their parents, and education professionals. Eighteen federal agencies participated in discussions on career options, student and scholarship programs, internships, and job opportunities. Youth organizations participating included: federally funded Youth Initiatives, Girl Scouts, Boys and Girls Clubs, and YWCA/YMCA.



## Economic Empowerment



### Empower Hispanic America with Technology

Supported by a one million dollar grant from the SBC Foundation, the focus of this initiative is to create positive change from within Hispanic communities by providing access to, and utilization of, state-of-the-art computer technologies enabling Hispanic Americans to fully empower themselves in a digital age. Technology centers will focus instruction on the use of technology for education and employment.

### CreditSmart Español

Designed and sponsored by Freddie Mac, this project provides training to Hispanic consumers about how to manage their finances and make prudent purchasing decisions. The project develops model training programs for helping members of the fastest growing consumer market to make wise financial decisions and ultimately achieve the American Dream of owning their own home.





### American Dream Homeownership Initiative:

The “Dueño de Su Sueño” program is part of the LULAC/GMAC American Dream Homeownership Initiative, and is designed to educate potential first-time Hispanic home buyers on their financing options through bilingual workshops, materials, and loan officers. The program is supported by a one million dollar grant from GMAC Mortgage.

### Career Fairs

Each year during our national convention we hold a career fair. Representatives from corporate America, the government, and non-profit organizations participate in our job fairs. Every year the fair continues to grow offering more job opportunities to our community. In addition, many colleges and universities send representatives to educate Hispanics about their educational opportunities. Local councils often offer career fairs at the state and regional levels, as well.



## Special Events



## LULAC Legislative Awards Gala



The LULAC National Legislative Awards Gala brings together members of the U.S. Congress, the LULAC membership, business leaders, and community activists in Washington, D.C. during February or March each year. This formal banquet highlights national policy issues that are having an impact on the Hispanic community. This year LULAC honored Minority Leader Nancy Pelosi, Representative Grace Napolitano, and Ruben Barrales as Deputy Assistant to the President and Director of Office of Intergovernmental Affairs. In previous years, LULAC has honored President Bill Clinton, Vice President Al Gore, Secretary of State Colin Powell, Senator Joel Lieberman, Senator Hillary Rodham Clinton and many other prominent government leaders.





## Annual National Convention



## 75th Annual Convention in San Antonio, Texas



The annual LULAC National Convention convenes the LULAC membership in a week long event consisting of workshops, exhibits, banquets, the election of LULAC's national officers, and a general assembly to set the organization's priorities and establish its positions on issues of critical concern to the Hispanic community. Topics at the convention include education, women's issues, employment, federal workshops, leadership, health, small business development, and corporate relations.

This year's convention was an incredible anniversary celebration that not only energized our membership but also the Hispanic community as a whole. The week-long convention marked LULAC's 75 years of service to the Latino community. With a record attendance of 15,000 people, LULAC was able to share our message of hope to members around the country.



Top speakers included former Secretary of Housing Henry Cisneros, Secretary of Health and Human Services Tommy Thompson, and President Bush and Senator Kerry spoke to the membership via satellite. In previous years some of our top speakers have included Secretary of Housing Mel Martinez, Governor George W. Bush, Governor Ann Richards, Senator Christopher Dodd, and Reverend Jesse Jackson.

### 2005 Special Events

**National Legislative Gala**  
March 14, 2005  
Washington, DC

**National LULAC Convention**  
June 27-July 2, 2005  
Little Rock, Arkansas

## SER Jobs for Progress



SER-Jobs for Progress National, Inc. is a private, nonprofit, 501(c)(3) corporation established in 1964 as a project to address employment and economic concerns and inequities among Hispanics in America. As part of the nation's community organizing agenda to win the "War on Poverty"; SER-Jobs for Progress National, Inc. was designed into the legislative agenda as an example of an effective community based employment and training project that could effectively address these issues. For 40 years, SER had played a key role in the nation's workforce investment system, and is today recognized by the US Department of Labor as the "premier community-based organization serving the employment needs of the Hispanic Community."

SER addresses the education, employment, and economic needs of Hispanics and other underrepresented groups across America. Nationally, SER serves as the administrative arm of the SER Network of Affiliate Partners, and provides assistance to enhance the workforce development capacity of its affiliates through training and technical assistance, program development, research and policy, and fund development. Locally, SER operates community development programs, targeting Hispanics and other underrepresented groups, and also serves the business community.



The SER Network consists of 42 affiliates operating in more than 200 offices in 19 states, Puerto Rico and the District of Columbia. The SER network serves more than one million individuals annually. SER has a strong partnership with corporate America through the Amigos de SER Business Advisory Council, which provides technical assistance, financial and in kind support to SER, and employment opportunities for consumers.

SER National is partnering with LULAC and SBC in their "Empower Hispanic America with Technology" initiative to run several community technology centers which benefit Hispanic communities by providing access to state-of-the-art computer equipment and high speed internet.

# LULAC 2004 Contributors

## *Partnering with LULAC*

*LULAC has been fortunate to have had strong support in 2004 from its corporate, government & foundation sponsors, contributors and supporters. Our sincerest thanks to all who have supported LULAC throughout this year.*

### **DIAMOND PARTNERS: \$100,000+**

America's Families United  
Ford Motor Company  
Freddie Mac  
General Motors  
SBC

### **PLATINUM PARTNERS: \$75,000—\$99,999**

AARP  
Altria  
HHS

### **GOLD PARTNERS: \$50,000—\$74,999**

American Airlines  
H-E-B  
NEA  
Shell Oil Company  
Tyson Foods

### **SILVER PARTNERS: \$30,000—\$49,999**

DaimlerChrysler Corporation  
EPA  
Nextel  
PepsiCo, Inc.  
Procter & Gamble  
Sears  
The Coca-Cola Company  
Univision Communications Inc.  
Wal-Mart Stores, Inc.

### **BRONZE PARTNERS: \$20,000—\$29,999**

Anheuser Busch  
AT&T  
BellSouth Corporation  
Blockbuster  
Countrywide  
Dell Inc.  
Eli Lilly & Company  
Exxon Mobil Corporation  
Hewlett-Packard Company  
McDonald's Corporation  
Miller Brewing Company  
Sprint  
Valero Corp  
Verizon Communications  
Wells Fargo  
YUM! Brands Inc.

### **CONTRIBUTORS: \$10,000—\$19,999**

Advance America  
Army  
Bank of America  
Burger King Corporation  
Caesar's Entertainment  
Continental Airlines  
Enterprise Rent-A-Car  
Geico Direct  
Home Box Office  
HUD-espanol.hud.gov  
J. C. Penney  
Kraft Foods  
Lowe's Companies, Inc  
National Education Association  
NBC/Telemundo  
Office Depot  
PhRMA  
Public Broadcasting Service  
Sodexo  
Southwest Airlines  
Spirit Airlines  
State Farm  
Summit Mortgage  
Washington Mutual

### **SUPPORTERS: \$2,000—\$9,999**

American Legacy Foundation  
Asthma Action America  
Coors Brewing Company  
Corrections Corp of America  
Department of Homeland Security  
Dittus Communications  
Guzman & Company  
Heineken USA Incorporated  
Master Card  
MGM Mirage  
Mortgage Insurance Companies of America  
People for the American Way  
R.J. Reynolds  
Sally Beauty Company  
Su Casita  
The Limited Brands  
The Walt Disney Company  
Tracfone  
University of Texas at El Paso  
Wyndham

# LULAC Institute Financials 2003

**Gilbert Pineda**  
**Certified Public Accountant**

Member Licensed in Texas & New Mexico  
 American Institute of Phone (915) 594-0252  
 Certified Public Accountants Fax (915) 591-2349  
 Division for CPA Firms  
 Private Companies Practice Section

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
**LULAC INSTITUTE, INC.**

We have audited the accompanying statement of financial position of **LULAC INSTITUTE, INC.** (a nonprofit organization) as of December 31, 2003 and 2002, and the related statements of activities 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 audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit 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 audit provides 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 **LULAC INSTITUTE, INC.** as of December 31, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of activities by programs and support is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Gilbert Pineda, C. P. A.  
 April 23, 2004

## LULAC INSTITUTE, INC.

### Statement of Financial Position December 31, 2003 and 2002

	2002	2003
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & Cash Equivalents	\$ 918,598	\$ 836,162
Investments, at Market Value	105,764	87,038
Accounts Receivable	71,577	13,826
Deposits & Prepaid Expenses	<u>241</u>	<u>15,241</u>
<b>TOTAL CURRENT ASSETS</b>	<u>1,096,180</u>	<u>952,267</u>
<b>Furniture &amp; Fixtures, Office Equipment &amp; Communication Equipment,</b>		
at cost, net of depreciation		
of \$39,565 and \$25,895	<u>44,076</u>	<u>42,294</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,140,256</u></b>	<b><u>\$ 994,561</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 35,606	\$ 22,038
Accrued Payables	<u>4,518</u>	<u>0</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>40,124</u>	<u>22,038</u>
<b>NET ASSETS</b>		
<b>Unrestricted</b>	823,235	972,523
<b>Temporarily Restricted</b>		
CreditSmart en Español Project	50,943	0
Mexico Money Transfer		
Litigation Court	200,000	0
Various Special Area Conferences	1,009	0
LULAC National Training Institute		
Conference and Exhibition	23,440	0
Other	<u>1,505</u>	<u>0</u>
<b>TOTAL NET ASSETS</b>	<u>1,100,132</u>	<u>972,523</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b><u>\$ 1,140,256</u></b>	<b><u>\$ 994,561</u></b>

THE ACCOMPANYING NOTES AND ACCOUNTANT'S INDEPENDENT AUDITOR'S REPORT SHOULD BE READ IN CONJUNCTION WITH THIS FINANCIAL STATEMENT.

# LULAC Institute Financials 2003

## LULAC INSTITUTE, INC. STATEMENT OF ACTIVITIES

For The Year Ended December 31, 2003 and 2002

	<u>UNRESTRICTED</u>	<u>2003 TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>2002 TOTAL</u>
<b>REVENUES AND OTHER SUPPORT</b>				
LULAC Federal Training Institute, Conference and Exhibition Revenues	\$ 1,284,813	\$ 25,000	\$ 1,309,813	\$ 1,293,617
Conferences	11,140	5,100	16,240	62,555
Donations	58,373	326,505	384,878	80,093
Miscellaneous	413	0	413	43,390
Investment Income	13,858	0	13,858	0
Capital Gains and Losses	(1,209)	0	(1,209)	0
Unrealized Appreciation of Investments	20,347	0	20,347	0
Donated Services	<u>156,863</u>	<u>0</u>	<u>156,863</u>	<u>104,129</u>
<b>TOTAL REVENUE AND OTHER SUPPORT</b>	<u>1,544,598</u>	<u>356,605</u>	<u>1,901,203</u>	<u>1,583,784</u>
<b>EXPENSES</b>				
<b>Program Services:</b>				
LULAC Federal Training Institute, Conference and Exhibition Revenues	1,008,231	51,560	1,159,791	875,352
Various Special Area Conferences	17,015	4,091	21,106	44,831
Civil Rights Project	11,869	0	11,869	12,271
Texas Office Grant	46,710	0	46,710	43,150
LULAC News	109,897	24,057	133,954	0
CreditSmart en Español Project	0	0	0	0
Mexico Money Transfer Litigation Grant	0	0	0	0
Donated Services	<u>149,800</u>	<u>0</u>	<u>149,800</u>	<u>104,129</u>
<b>TOTAL PROGRAM SERVICES</b>	<u>1,343,522</u>	<u>79,708</u>	<u>1,423,230</u>	<u>1,197,811</u>
<b>SUPPORTING SERVICES:</b>				
Administrative and General	<u>350,364</u>	<u>0</u>	<u>350,364</u>	<u>257,973</u>
<b>TOTAL SUPPORTING SERVICES</b>	<u>350,364</u>	<u>0</u>	<u>350,364</u>	<u>257,973</u>
<b>TOTAL EXPENSES</b>	<u>1,693,886</u>	<u>79,708</u>	<u>1,773,594</u>	<u>1,455,784</u>
<b>CHANGES IN NET ASSETS</b>	(149,288)	276,897	127,609	128,000
<b>NET ASSETS, Beginning of Year</b>	<u>972,523</u>	<u>0</u>	<u>972,523</u>	<u>844,523</u>
<b>NET ASSETS, End of Year</b>	\$ <u>823,235</u>	\$ <u>276,897</u>	\$ <u>1,100,132</u>	\$ <u>972,523</u>

# LULAC Institute Financials 2003

**LULAC INSTITUTE, INC.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Change in Net Assets</b>	\$ 127,609	\$ 128,000
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	13,670	12,070
(Increase) Decrease in accounts receivable	(57,751)	49,115
(Increase) Decrease in deposits and prepaid expenses	15,000	(15,000)
Increase (Decrease) in accounts payable	13,568	(11,301)
Increase (Decrease) in accrued expenses	4,518	0
<b>Net Cash Provided (Utilized) by Operating Activities</b>	<u>116,614</u>	<u>162,884</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Equipment	(15,452)	(12,959)
Investment Purchases and Gains	(18,726)	15,470
<b>Net Cash Provided (Utilized) in Investing Activities</b>	<u>(34,178)</u>	<u>2,511</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
	<u>0</u>	<u>0</u>
<b>Net Cash Provided (Utilized) by Financing Activities</b>	<u>0</u>	<u>0</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>82,436</b>	<b>165,395</b>
<b>CASH, Beginning of Year</b>	<u>836,162</u>	<u>670,767</u>
<b>CASH, End of Year</b>	<u>\$ 918,598</u>	<u>\$ 836,162</u>

THE ACCOMPANYING NOTES AND ACCOUNTANT'S INDEPENDENT AUDITOR'S REPORT  
SHOULD BE READ IN CONJUNCTION WITH THIS FINANCIAL STATEMENT.

# LULAC Institute Financials 2003

## Notes to the Financial Statements December 31, 2003

### 1. Summary of Significant Accounting Policies

LULAC INSTITUTE, INC. accounts for all transactions on the accrual basis method of accounting. The financial statements are presented in accordance with the principles promulgated by *Financial Statements of Not-For-Profit Organizations*, whereby revenues and expenses are classified according to specified purposes of restrictions. The unrestricted accounts for all resources over which the governing board has discretionary control to use in carrying on the general operations of the **Organization**. Contributions and grants for general unrestricted purposes are all accounted for in the unrestricted fund. Contributions and grants temporarily restricted by the donor or the program guidelines are reflected in the temporarily restricted fund.

### 2. Statement of Purpose

LULAC INSTITUTE, INC. is a not for profit organization which was established under the laws of Washington, D.C.. The Organization was created to further the programs and objectives of the L.U.L.A.C. National Office by forming an economic alliance with corporate America.

The Organization, with the aid of its corporate partners, includes various educational conferences, disaster relief support, civil rights collaboration, and various women's issues. LULAC INSTITUTE, INC. is also responsible for the LULAC Federal Training Institute, the annual national conference and exhibition and the LULAC NEWS.

### 3. Nature of the Organization

LULAC INSTITUTE, INC. is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an **Organization** that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code.

### Financial Statement Presentation and Contributions:

LULAC INSTITUTE, INC. adopted Statement of Financial Accounting Standards (SFAS) Number 117, "Financial Statements of Not-For-Profit **Organizations**". Under SFAS Number 117, LULAC INSTITUTE, INC. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, LULAC INSTITUTE, INC. is required to present a statement of cash flows. As permitted by SFAS Number 117, LULAC INSTITUTE, INC. has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present classes of net assets. This reclassification had no effect on the change in net assets for 1996.

LULAC INSTITUTE, INC. also adopted SFAS Number 116, "Accounting of Contributions Received and Contributions Made" in 1996. In accordance with SFAS Number 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. In addition, LULAC INSTITUTE, INC. has not received any contributions with donor imposed restrictions that would result in temporarily or permanently restricted net assets.

### 5. Furniture and Equipment

Fixed assets acquired by LULAC INSTITUTE, INC. are considered to be owned by the **Organization**, except for property acquired with funds received under a restricted grant award. Title for that property remains with the grantee until the restrictions are removed. Other funding sources may have a reversionary interest in the property as well as in the determination of use of any proceeds from the sale of these assets.

LULAC INSTITUTE, INC. follows the practice of capitalizing all expenditures for property, furniture, fixtures and office equipment. Depreciation of all such items is computed on a straight-line basis over the estimated useful lives of the assets generally as follows:

	2003	2002
Computer Equipment	\$ 76,871	\$ 64,553
Furniture & Fixtures	4,830	3,636
Communication Equipment	<u>1,940</u>	<u>0</u>
Total	83,641	68,189
Accumulated Depreciation	<u>39,565</u>	<u>25,895</u>
	<u>\$ 44,076</u>	<u>42,294</u>

Depreciation expense for 2003 amounted to \$ 13,670 and 2002 amounted to \$12,070.

### 6. Functional 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 the programs and supporting services benefited.

### 7. Use of Estimates

Management uses estimates in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses.

### 8. Related Party Transactions

The Organization is associated with LULAC National Office through an office sharing arrangement. Both organizations share office and personnel. At year end, the National Office owed the Organization \$5,450.45.

### 9. Contributed Services

Contributed services were comprised of equipment, travel, technical assistance and hospitality costs provided by various corporate sponsors in order to assist LULAC INSTITUTE, INC. attain its objectives.

# LULAC National Office Financials 2003-04

**Gilbert Pineda**  
**Certified Public Accountant**

Member Licensed in Texas & New Mexico  
 American Institute of Phone (915) 594-0252  
 Certified Public Accountants Fax (915) 591-2349  
 Division for CPA Firms  
 Private Companies Practice Section

**INDEPENDENT AUDITOR'S REPORT**


To the Board of Directors  
**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**

We have audited the accompanying statement of financial position of **LEAGUE of UNITED LATIN AMERICAN CITIZENS National Office** (a nonprofit organization) as of June 30, 2004 and 2003, and the related statements of activities 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 audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit 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 audit provides 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 **LEAGUE of UNITED LATIN AMERICAN CITIZENS National Office** as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of activities by programs and support is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Gilbert Pineda, C. P. A.  
 September 23, 2004

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Statement of Financial Position**  
**June 30, 2004 and 2003**

	2004	2003
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash & Cash Equivalents	\$ 208,203	\$ 336,940
Note Receivable	10,000	10,000
Accounts Receivable	<u>61,827</u>	<u>22,169</u>
<b>TOTAL CURRENT ASSETS</b>	<u>280,030</u>	<u>369,109</u>
Office Equipment and Communication Equipment at cost and net of depreciation of \$40,044 and \$34,344	<u>15,903</u>	<u>16,129</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>295,933</u></b>	<b>\$ <u>385,238</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 319	31,380
Accrued Expenses	<u>3,257</u>	<u>538</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>3,576</u>	<u>31,918</u>
<b>NET ASSETS</b>		
<b>Unrestricted</b>	285,857	346,820
Temporarily Restricted	<u>6,500</u>	<u>6,500</u>
<b>TOTAL NET ASSETS</b>	<u>292,357</u>	<u>353,320</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ <u>295,933</u></b>	<b>\$ <u>385,238</u></b>

THE ACCOMPANYING NOTES AND ACCOUNTANT'S INDEPENDENT AUDITOR'S REPORT SHOULD BE READ IN CONJUNCTION WITH THIS FINANCIAL STATEMENT.



# LULAC National Office Financials 2003-04

## STATEMENT OF ACTIVITIES

Years Ended June 30, 2004 and 2003

	<u>UNRESTRICTED</u>	<u>2004 TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>	<u>2003 TOTAL</u>
<b>REVENUES AND OTHER SUPPORT</b>				
Legislative Awards Gala	\$ 265,010	\$ 0	\$ 265,010	\$ 257,250
Automobile Raffle	0	0	0	20,194
Charters	26,520			
Donated Services	48,313			
Donations	123,335			
Membership Dues - Associates				
Membership Dues - Lifetime	0	0	0	3,500
Membership Dues - Members	128,766	0	128,766	125,932
Miscellaneous	<u>1,723</u>	<u>0</u>	<u>1,723</u>	<u>2,242</u>
<b>TOTAL REVENUE &amp; OTHER SUPPORT</b>	<u>641,008</u>	<u>0</u>	<u>641,008</u>	<u>607,286</u>
<b>EXPENSES</b>				
<b>Program Services:</b>				
Legislative Awards Gala	95,582			
Policy and Membership	<u>423,332</u>	<u>0</u>	<u>423,332</u>	<u>395,816</u>
<b>TOTAL PROGRAM SERVICES</b>	<u>572,398</u>	<u>0</u>	<u>572,398</u>	<u>491,398</u>
<b>SUPPORTING SERVICES:</b>				
Administrative and General	<u>129,573</u>	<u>0</u>	<u>129,573</u>	<u>112,905</u>
<b>TOTAL SUPPORTING SERVICES</b>	<u>129,573</u>	<u>0</u>	<u>129,573</u>	<u>112,905</u>
<b>TOTAL EXPENSES</b>	<u>701,971</u>	<u>0</u>	<u>701,971</u>	<u>604,303</u>
<b>CHANGES IN NET ASSETS</b>	(60,963)	0	(60,963)	2,983
<b>NET ASSETS, Beginning of Year</b>	<u>346,820</u>	<u>6,500</u>	<u>353,320</u>	<u>350,337</u>
<b>NET ASSETS, End of Year</b>	\$ <u>285,857</u>	\$ <u>6,500</u>	\$ <u>292,357</u>	\$ <u>353,320</u>

THE ACCOMPANYING NOTES AND ACCOUNTANT'S INDEPENDENT AUDITOR'S REPORT  
SHOULD BE READ IN CONJUNCTION WITH THIS FINANCIAL STATEMENT

# LULAC National Office Financials 2003-04

## Statement of Cash Flows Year Ended June 30 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Change in Net Assets</b>	\$ (60,963)	\$ 1,992
Adjustments to reconcile change in net assets to net cash used for operating activities:		
Depreciation	5,700	6,982
(Increase) Decrease in accounts receivable	(39,658)	(5,346)
Increase (Decrease) in accounts payable	(31,061)	(523)
Increase (Decrease) in accrued expenses	<u>2,719</u>	<u>0</u>
<b>Net Cash Provided (Utilized)     by Operating Activities</b>	<u>(123,263)</u>	<u>3,105</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Equipment	(5,474)	(6,929)
Investment Purchases and Gains	<u>0</u>	<u>0</u>
<b>Net Cash Provided (Utilized)     in Investing Activities</b>	<u>(5,474)</u>	<u>(6,929)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
	<u>0</u>	<u>0</u>
<b>Net Cash Provided (Utilized) by     Financing Activities</b>	<u>0</u>	<u>0</u>
<b>Net Increase in Cash and Cash Equivalents</b>	(128,737)	(3,824)
<b>CASH, Beginning of Year</b>	<u>336,940</u>	<u>340,764</u>
<b>CASH, End of Year</b>	<u>\$ 208,203</u>	<u>\$ 336,940</u>

THE ACCOMPANYING NOTES AND ACCOUNTANT'S INDEPENDENT AUDITOR'S REPORT  
SHOULD BE READ IN CONJUNCTION WITH THIS FINANCIAL STATEMENT.

# LULAC National Office Financials 2003-04

## Notes to the Financial Statements June 30, 2004

### 1. Nature of Activities

The **LEAGUE of UNITED AMERICAN CITIZENS National Office (LNO)** is the national office of the League of United Latin American Citizens, a not-for-profit organization established under the laws of the State of Texas. LULAC's mission is to develop an awareness of the specific needs, contributions, and culture of Hispanics with an emphasis on civil rights, education, housing, health employment, citizenship and economic development.

LNO derives its authority from the Constitution, By-Laws and Protocol of the League of United Latin American Citizens. It is responsible for all membership related financial accounting. LNO is supported primarily through donations, and membership related sources (dues and charters).

LULAC's National President is elected to a one-year term with a maximum of four term permitted. The current National President, Hector Flores of Dallas, Texas is currently serving his second term. While the national office has historically been located in the city of the current president, LULAC passed a resolution, which established a permanent national office in Washington, D. C. During the current fiscal year LNO had offices in Dallas, Texas, El Paso, Texas, and Washington, D. C.

A significant program that had a material impact on the financial statements of LNO is the annual National Legislative Awards Gala.

### 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The LNO uses the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred.

#### Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, LULAC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

#### Contributions

LNO accounts for contributions in accordance with the recommendations of the Financial Accounting Standards Board in SFAS No. 116, Accounting Contributions Received and Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### Property and Equipment

Depreciation of equipment is provided over the estimated useful lives of the respective assets using the straight-line basis. Assets lives range from five to seven years. There has been no capitalization of interest.

Donated equipment is recorded at fair market value at the date of the donation. Purchased equipment is recorded at cost.

#### Cash and Cash Equivalent

For purposes of the statement of cash flows, cash equivalents include time deposits and certificates of deposit.

#### Income Tax Status

LULAC is classified as a Section 501 (c)(4) organization under the Internal Revenue Code. As a result, it has been determined to be exempt from federal income taxes.

### 3. Cash

LNO had interest and non-interest bearing bank accounts at year end. The accounts and their balances at June 30, were as follows:

LULAC National Office	\$ 2,988
LULAC National Office	75,782
LULAC Endowment Fund	76,952
LULAC CDs	<u>52,481</u>
	\$ <u>208,203</u>

### 4. Accounts Receivable

Accounts receivable at year-end consisted of funds from sponsors of the Legislative Awards Gala that total \$60,000 and other miscellaneous receivables of \$1,827 for a total of \$61,827.

A promissory note between the **LULAC National Office** and Puerto Rico's LULAC was made on October 5, 2002 to cover costs associated with promoting the 2003 LULAC National Convention. Terms of the \$10,000 note call for the debt to be repaid by the Puerto Rican chapter from the host portion of the 2003 National Convention proceeds. As of the date of this report the host council proceeds from the 2003 National Convention were finalized and the funds subsequently transferred liquidating the note.

# LULAC National Office Financials 2003-04

## 5. Office Equipment

The following is a summary of office equipment at year end:

	June 30, 2003	June 30, 2004
Office Equipment	\$ 50,473	\$ 55,947
Accumulated Depreciation	34,344	40,044
	<u>\$ 16,129</u>	<u>15,903</u>

Depreciation expense for the year was \$5,700.

## 6. Accounts Payable

Accounts payable represent payments dues outside parties. Accounts payable totaled \$3,576. At year-end LNO owed the LULAC Institute, Inc. \$319 that was included in the accounts payable total.

## 7. Donated Facilities & Services

Significant facilities were donated to LNO by Chase Bank. Donated facilities in the form of office space on the 6<sup>th</sup> floor of the Chase Bank Building in El Paso, Texas totaled \$14,126. The amount was recorded at fair market value at the date of the donation, and was included in revenue and expense for both years. The donated rental space was prorated between LNO and the LULAC Institute, Inc. with each organization claiming \$7,063. A law firm in Dallas donated office space for the Dallas Office. Recorded at fair market value the donated office space was prorated between LRO and the LULAC Institute, Inc. with both organizations recording \$4,800 as revenue and expense.

Total donated facilities and services for the year was \$21,863.

## 8. Related Party Transactions

LNO is involved with numerous organizations affiliated with LULAC on a periodic basis. LNO received charters from each of

the local LULAC councils throughout the United States and Puerto Rico. During the year LNO received \$24,384 in charters. Dues were also collected from sustaining members and totaled \$128,766.

To assist in the administration of the affiliated organization and/or elected offices, LNO budgeted \$50,000 during the year. These transactions are recorded as National Vice President Allocations on the Statement of Activities.

During the year LNO recorded \$44,088 expenses as vice president allocations.

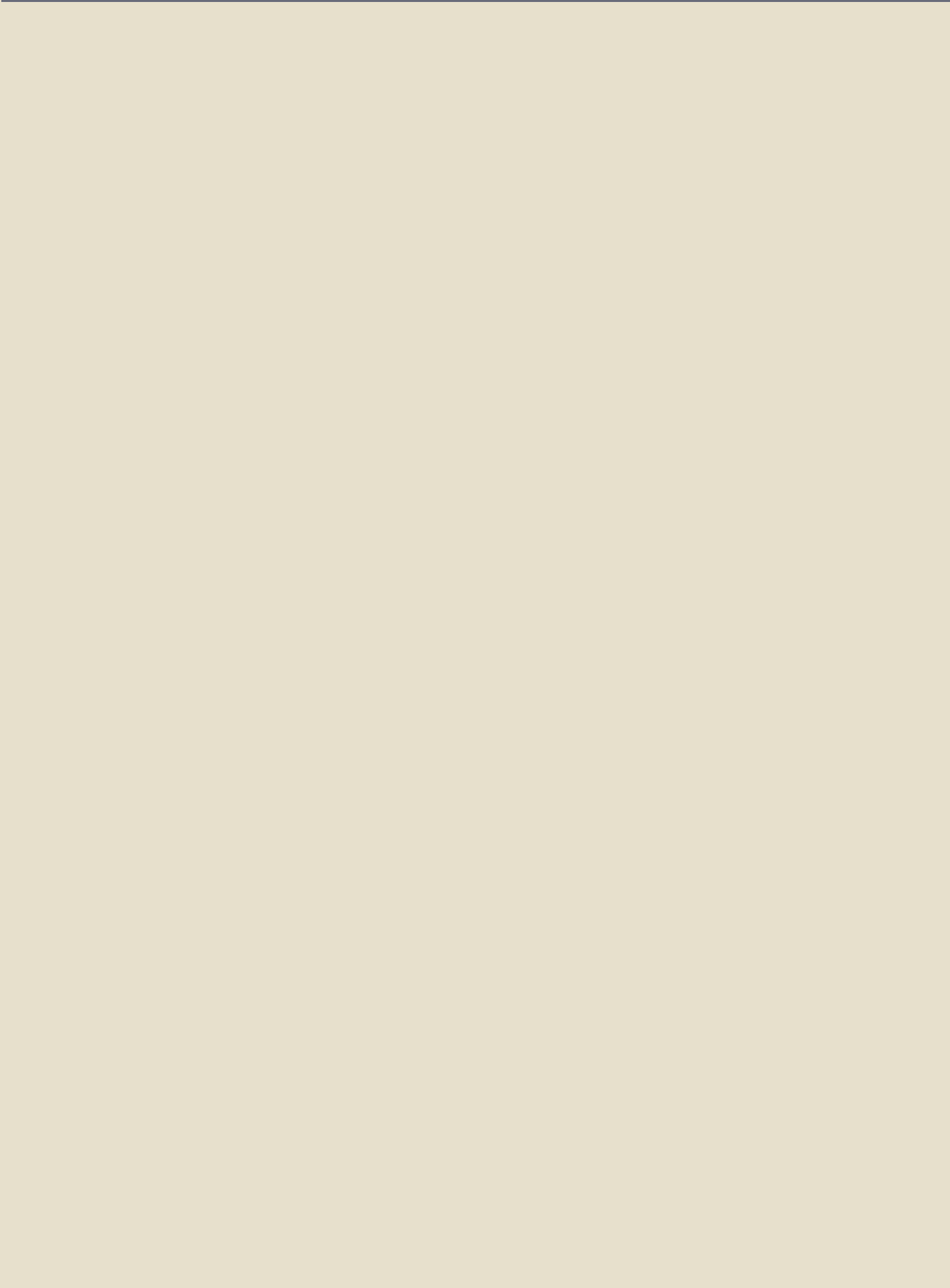
An outgrowth of the LNO was the LULAC Institute, Inc. LNO shared its membership list with LULAC Institute, Inc. as well as the expense of common employees and office facilities. Certain members of LNO also served as board members for the LULAC Institute, Inc. while there was no requirements that they serve on both boards.

## 9. Employment Agreement

October 1, 2003, LULAC National Office and L.U.L.A.C. Institute, Inc. entered into an employment agreement with the National Executive Director. Pursuant to the employment agreement which became effective on January 1, 2004, the National Executive Director's salary was to be apportioned between LULAC National Office and LULAC Institute, Inc. The compensation agreement entails annual increases through January 1, 2006. The National Executive Director will also be entitled to benefits, such as sick leave, group insurance, retirement, as well as reasonable business expenses incurred in the conduct of his employment.

## 10. LULAC National Endowment Fund

An endowment fund was established during fiscal year 1998 with \$1,000 of donations to the fund recorded during the year. A donation of \$1,000 entitled the contributor to National Life Member dues. There were restrictions placed on the funds, which were placed in a separate bank account.



# The League of United Latin American Citizens

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