

**LEAGUE of UNITED  
LATIN AMERICAN  
CITIZENS**

**NATIONAL OFFICE**

**FINANCIAL  
STATEMENTS**

**December 31, 2005**

*GILBERT PINEDA*  
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**LEAGUE of LATIN AMERICAN CITIZENS**  
**National Office**  
**Financial Statements**  
**December 31, 2005**

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**FINANCIAL**  
**SECTION**

# GILBERT PINEDA

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## INDEPENDENT AUDITOR'S REPORT

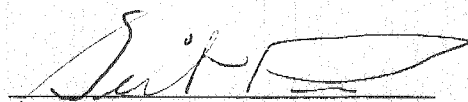
To the Board of Directors  
**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
National Office

We have audited the accompanying statement of financial position of **LEAGUE of UNITED LATIN AMERICAN CITIZENS National Office** (a nonprofit **Organization**) as of December 31, 2005, and the related statements of activities and cash flows for the year 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 auditing standards accepted in the United States of America. 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 December 31, 2005, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information 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.  
March 10, 2006

**FINANCIAL  
STATEMENTS**

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Statement of Financial Position**  
**December 31, 2005**

**ASSETS**

**Current Assets**

Cash & Cash Equivalents \$ 187,666

**Total Current Assets** 187,666

**Other Assets**

Deposits 1,000

**Fixed Assets**

Office Communication Equipment  
at cost and net of depreciation of \$48,884 7,063

**Total Assets** \$ 195,729

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts Payable \$ 22,170  
Accrued Expenses 4,253

**Total Current Liabilities** 26,423

**NET ASSETS**

Unrestricted 162,806  
Temporarily Restricted 6,500

**Total Net Assets** 169,306

**Total Liabilities and Net Assets** \$ 195,729

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

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Statement of Activities**

Year Ended December 31, 2005

|  | <u>UNRESTRICTED</u> | <u>TEMPORARILY<br/>RESTRICTED</u> | <u>TOTAL</u>      |
|--|---------------------|-----------------------------------|-------------------|
| <b>REVENUES AND OTHER SUPPORT</b>      |                     |                                   |                   |
| Automobile Raffle                      | \$ 12,675           | \$ 0                              | \$ 12,675         |
| Charters                               | 1,900               | 0                                 | 1,900             |
| Donated Services                       | 5,932               | 0                                 | 5,932             |
| Donations                              | 94,575              | 0                                 | 94,575            |
| Membership Dues - Associates           | 3,825               | 0                                 | 3,825             |
| Membership Dues - Lifetime             | 0                   | 0                                 | 0                 |
| Membership Dues - Members              | 8,875               | 0                                 | 8,875             |
| Social Security Project (AARP)         | 1,000               | 0                                 | 1,000             |
| Miscellaneous                          | <u>1,162</u>        | <u>0</u>                          | <u>1,162</u>      |
| <b>TOTAL REVENUE AND OTHER SUPPORT</b> | <u>129,944</u>      | <u>0</u>                          | <u>129,944</u>    |
| <b>EXPENSES</b>                        |                     |                                   |                   |
| <b>Program Services:</b>               |                     |                                   |                   |
| Policy and Membership                  | 231,449             | 0                                 | 231,449           |
| Social Security Project (AARP)         | <u>38,274</u>       | <u>0</u>                          | <u>38,274</u>     |
| <b>TOTAL PROGRAM SERVICES</b>          | <u>269,723</u>      | <u>0</u>                          | <u>269,723</u>    |
| <b>SUPPORTING SERVICES:</b>            |                     |                                   |                   |
| Administrative and General             | <u>50,722</u>       | <u>0</u>                          | <u>50,722</u>     |
| <b>TOTAL SUPPORTING SERVICES</b>       | <u>50,722</u>       | <u>0</u>                          | <u>50,722</u>     |
| <b>TOTAL EXPENSES</b>                  | <u>320,445</u>      | <u>0</u>                          | <u>320,445</u>    |
| <b>CHANGES IN NET ASSETS</b>           | (190,501)           | 0                                 | (190,501)         |
| <b>NET ASSETS, Beginning of Year</b>   | <u>353,307</u>      | <u>6,500</u>                      | <u>359,807</u>    |
| <b>NET ASSETS, End of Year</b>         | \$ <u>162,806</u>   | \$ <u>6,500</u>                   | \$ <u>169,306</u> |

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

**LEAGUE of LATIN AMERICAN CITIZENS**  
**National Office**  
**Statement of Cash Flows**  
**Year Ended December 31, 2005**

**Cash Flows from Operating Activities:**

|   |                 |
|---|-----------------|
| <b>Change in Net Assets</b>   | \$ (190,501)    |
| Adjustments to reconcile change in net assets<br>to net cash used for operating activities: |                 |
| Depreciation  | 1,064           |
| (Increase) Decrease in accounts receivable  | 108,100         |
| (Increase) Decrease in deposits   | (1,000)         |
| Increase (Decrease) in accounts payable   | (4,927)         |
| Increase (Decrease) in accrued expenses   | <u>(3,333)</u>  |
| <b>Net Cash Provided (Utilized)<br/>by Operating Activities</b>                             | <u>(90,597)</u> |

**Cash Flows From Investing Activities:**

|                       |          |
|-----------------------|----------|
| Purchase of Equipment | <u>0</u> |
|-----------------------|----------|

|   |          |
|---|----------|
| <b>Net Cash Provided (Utilized)<br/>in Investing Activities</b> | <u>0</u> |
|---|----------|

**Cash Flows from Financing Activities:**

|  |          |
|--|----------|
|  | <u>0</u> |
|--|----------|

|   |          |
|---|----------|
| <b>Net Cash Provided (Utilized) by<br/>Financing Activities</b> | <u>0</u> |
|---|----------|

|   |          |
|---|----------|
| Net Increase in Cash and Cash Equivalents | (90,597) |
|---|----------|

|                         |                |
|-------------------------|----------------|
| CASH, Beginning of Year | <u>278,263</u> |
|-------------------------|----------------|

|                   |                   |
|-------------------|-------------------|
| CASH, End of Year | <u>\$ 187,666</u> |
|-------------------|-------------------|

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



**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Notes to the Financial Statements**  
**December 31, 2005**

**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. L. U. L. A. C.'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 fourth 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.

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Notes to the Financial Statements**  
**December 31, 2005**

**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.

**LEAGUE of UNITED AMERICAN CITIZENS**  
**National Office**  
**Notes to the Financial Statements**  
**December 31, 2005**

**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 December 31, were as follows:

|                       |                   |
|-----------------------|-------------------|
| LULAC National Office | \$ 37,616         |
| LULAC National Office | 71,725            |
| LULAC Endowment Fund  | <u>78,325</u>     |
|                       | <u>\$ 187,666</u> |

**4. Accounts Receivable**

Accounts receivable is recorded at the amount LNO expects to collect on balances outstanding at year end. Management closely monitors outstanding balances and writes off, as of year end, all balances that have not been collected by the time the financial statements are issued.

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Notes to the Financial Statements**  
**December 31, 2005**

**5. Office Equipment**

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

|                             | <b>December 31<br/>2005</b> |
|-----------------------------|-----------------------------|
| Office Equipment            | \$ 55,947                   |
| Accumulated<br>Depreciation | <u>4,884</u>                |
|                             | <u>\$ 7,063</u>             |

Depreciation expense for the year was \$1,064.

**6. Accounts Payable**

Accounts payable represent payments due outside parties. Accounts payable totaled \$26,423.

**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 \$7,063. 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 \$3,532. 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 \$2,400 as revenue and expense.

Total donated facilities and services for the year was \$5,932.

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Notes to the Financial Statements**  
**December 31, 2005**

**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 \$ 1,900 in charters. Dues were also collected from sustaining members and totaled \$12,700.

To assist in the administration of the affiliated organization and/or elected offices, LNO budgeted \$29,952 during the year. These transactions are recorded as National Vice President Allocations on the Statement of Activities.

During the year LNO recorded \$31,033 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, L. U. L. A. C. National Office and L. U. L. A. C. Institute, Inc. entered into an employment agreement with the National Executive Director. Pursuant to the agreement, effective January 1, 2004, the National Executive Director's entire salary was increased to \$85,000 per annum, of which \$25,000 was to be paid by L. U. L. A. C. National Office and the balance by L. U. L. A. C. Institute, Inc. The National Executive Director's entire compensation will be increased to \$95,000 effective January 1, 2005 and \$105,000 effective January 1, 2006. Of the entire compensation agreement, L. U. L. A. C. National Office's contractual payments will amount to \$30,000 and \$35,000, respectively for the subsequent periods. On January 1, 2007, and thereafter, the National Executive Director will receive an annual cost of living increase of 4% of his salary, pending the availability of funds. The National Executive Director will also be entitled to benefits, such as vacation leave, sick leave, group insurance, retirement, as well as reasonable business expenses incurred in the conduct of his employment.

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Notes to the Financial Statements**  
**December 31, 2005**

**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.

**11. Concentration of Credit Risk**

LNO maintain cash balances and temporary cash investments at several financial institutions located in El Paso, Texas. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000.

**12. Subsequent Event**

**L. U. L. A . C. National Office** filed a request to change its accounting year from June 30<sup>th</sup> to December 31<sup>st</sup>. The change in accounting year was approved by the Board of Directors and is expected to be approved by the Internal Revenue Service.

**SUPPLEMENTAL**

**SCHEDULE**

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**

**National Office**

**Statement of Activities by Program and Support**

**Year Ended December 31, 2005**

|  | <--- PROGRAM ACTIVITIES ---> |                 | SUPPORT         |                |
|--|------------------------------|-----------------|-----------------|----------------|
|  | <u>POLICY AND</u>            | <u>SOCIAL</u>   | <u>DALLAS,</u>  |                |
|  | <u>MEMBERSHIP</u>            | <u>SECURITY</u> | <u>EL PASO</u>  |                |
|  |                              | <u>PROJECT</u>  | <u>AND D.C.</u> |                |
|  |                              | <u>(AARP)</u>   | <u>OFFICES</u>  | <u>TOTALS</u>  |
| <b>REVENUES AND OTHER SUPPORT</b>      |                              |                 |                 |                |
| Automobile Raffle                      | \$ 12,675                    | \$ 0            | \$ 0            | \$ 12,675      |
| Charters                               | 1,900                        | 0               | 0               | 1,900          |
| Donated Services                       | 0                            | 0               | 5,932           | 5,932          |
| Donations                              | 29,575                       | 40,000          | 25,000          | 94,575         |
| Membership Dues - Associates           | 3,825                        | 0               | 0               | 3,825          |
| Membership Dues - Lifetime             | 0                            | 0               | 0               | 0              |
| Membership Dues - Members              | 8,875                        | 0               | 0               | 8,875          |
| Administrative Fee - Social Security   |                              |                 |                 |                |
| Project (AARP)                         | 0                            | 0               | 1,000           | 1,000          |
| Miscellaneous                          | <u>1,162</u>                 | <u>0</u>        | <u>0</u>        | <u>1,162</u>   |
| <b>TOTAL REVENUE AND OTHER SUPPORT</b> | <u>58,012</u>                | <u>40,000</u>   | <u>31,932</u>   | <u>129,944</u> |

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



**LEAGUE of UNITED LATIN AMERICAN CITIZENS**

**National Office**

**Statement of Activities by Program and Support**

**Year Ended December 31, 2005**

|                                 | <-- PROGRAM ACTIVITIES----> | SUPPORT         |                 |               |
|---------------------------------|-----------------------------|-----------------|-----------------|---------------|
|                                 | <u>POLICY AND</u>           | <u>SOCIAL</u>   | <u>DALLAS,</u>  |               |
|                                 | <u>MEMBERSHIP</u>           | <u>SECURITY</u> | <u>EL PASO</u>  |               |
|                                 |                             | <u>PROJECT</u>  | <u>AND D.C.</u> |               |
|                                 |                             | <u>(AARP)</u>   | <u>OFFICES</u>  | <u>TOTALS</u> |
| <b>EXPENSES</b>                 |                             |                 |                 |               |
| Automobile Parking Allowance    | 696                         | 0               | 0               | 696           |
| Automobile Raffle Costs         | 987                         | 0               | 0               | 987           |
| Board Meeting Expense           | 8,429                       | 0               | 0               | 8,429         |
| Bank Service Charges            | 10                          | 0               | 0               | 10            |
| Contract Labor                  | 15,882                      | 0               | 0               | 15,882        |
| Credit Card Expense             | 88                          | 0               | 0               | 88            |
| Depreciation                    | 0                           | 0               | 1,064           | 1,064         |
| Donations                       | 1,500                       | 0               | 0               | 1,500         |
| Donated Facilities and Services | 0                           | 0               | 5,932           | 5,932         |
| Dues and Subscriptions          | 10,225                      | 0               | 0               | 10,225        |
| Group Insurance                 | 3,679                       | 0               | 0               | 3,679         |
| Liability Insurance             | 997                         | 0               | 0               | 997           |
| Membership Expansion            | 134                         | 0               | 0               | 134           |
| Miscellaneous                   | 4,455                       | 0               | 2,334           | 6,789         |
| Office Supplies                 | 0                           | 0               | 4,665           | 4,665         |
| Postage                         | 1,742                       | 0               | 1,742           | 3,484         |

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

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**

**National Office**

**Statement of Activities by Program and Support**

**Year Ended December 31, 2005**

|                                | <-- PROGRAM ACTIVITIES----> | SUPPORT         |                    |                     |
|--------------------------------|-----------------------------|-----------------|--------------------|---------------------|
|                                | <u>POLICY AND</u>           | <u>SOCIAL</u>   | <u>DALLAS,</u>     |                     |
|                                | <u>MEMBERSHIP</u>           | <u>SECURITY</u> | <u>EL PASO</u>     |                     |
|                                |                             | <u>PROJECT</u>  | <u>AND D.C.</u>    |                     |
|                                |                             | <u>(AARP)</u>   | <u>OFFICES</u>     | <u>TOTALS</u>       |
| Professional Services          | 13,838                      | 0               | 0                  | 13,838              |
| Promotional and Goodwill       | 3,298                       | 0               | 0                  | 3,298               |
| Payroll Taxes                  | 5,637                       | 910             | 2,479              | 9,026               |
| Policy Expenses                | 3,589                       | 0               | 0                  | 3,589               |
| Rent                           | 10,691                      | 0               | 0                  | 10,691              |
| Salaries                       | 73,689                      | 11,900          | 18,984             | 104,573             |
| Social Security Project (AARP) | 0                           | 25,464          | 0                  | 25,464              |
| Telephone                      | 1,575                       | 0               | 1,575              | 3,150               |
| Travel                         | 36,853                      | 0               | 9,539              | 46,392              |
| Vice Presidents Allocations    | 31,033                      | 0               | 0                  | 31,033              |
| Texas Presidents Allocations   | 1,227                       | 0               | 0                  | 1,227               |
| Uncollectible Accounts         | 0                           | 0               | 2,408              | 2,408               |
| Voter Project                  | <u>1,195</u>                | <u>0</u>        | <u>0</u>           | <u>1,195</u>        |
| <b>TOTAL EXPENSES</b>          | <u>231,449</u>              | <u>38,274</u>   | <u>50,722</u>      | <u>320,445</u>      |
| <b>CHANGE IN NET ASSETS</b>    | \$ <u>(173,437)</u>         | \$ <u>1,726</u> | \$ <u>(18,790)</u> | \$ <u>(190,501)</u> |

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

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Statement of Activities - Budget to Actual**  
**Year Ended December 31, 2005**

|  | <u>ACTUAL</u>  | <u>BUDGET</u>  | <u>DIFFERENCE</u> |
|--|----------------|----------------|-------------------|
| <b>REVENUES AND OTHER SUPPORT</b>                      |                |                |                   |
| Legislative Awards Gala                                | \$ 0           | \$ 0           | \$ 0              |
| Charters   | 1,900          | 400            | 1,500             |
| Donated Services                                       | 5,932          | 0              | 5,932             |
| Donations  | 94,575         | 112,000        | (17,425)          |
| Membership Dues - Associates                           | 3,825          | 1,200          | 2,625             |
| Membership Dues - Lifetime                             | 0              | 0              | 0                 |
| Membership Dues - Members                              | 8,875          | 4,000          | 4,875             |
| Automobile Raffle                                      | 12,675         | 19,000         | (6,325)           |
| Administrative Fee - Social Security<br>Project (AARP) | 1,000          | 0              | 1,000             |
| Miscellaneous  | <u>1,162</u>   | <u>825</u>     | <u>337</u>        |
| <b>TOTAL REVENUE AND<br/>OTHER SUPPORT</b>             | <u>129,944</u> | <u>137,425</u> | <u>(7,481)</u>    |
| <b>EXPENSES</b>  |                |                |                   |
| Automobile Parking Allowance                           | 696            | 696            | 0                 |
| Automobile Raffle Costs                                | 987            | 500            | (487)             |
| Board Meeting Expense                                  | 8,429          | 9,000          | 571               |
| Bank Service Charges                                   | 10             | 110            | 100               |
| Contract Labor   | 15,882         | 15,000         | (882)             |
| Credit Card Expense                                    | 88             | 600            | 512               |
| Depreciation   | 1,064          | 0              | (1,064)           |
| Donations  | 1,500          | 0              | (1,500)           |
| Donated Facilities and Services                        | 5,932          | 0              | (5,932)           |
| Dues and Subscriptions                                 | 10,225         | 10,200         | (25)              |
| Group Insurance  | 3,679          | 4,800          | 1,121             |
| Liability Insurance                                    | 997            | 1,000          | 3                 |
| Membership Expansion                                   | 134            | 1,500          | 1,366             |
| Miscellaneous  | 6,789          | 6,000          | (789)             |
| Office Supplies  | 4,665          | 4,800          | 135               |
| Postage  | 3,484          | 4,800          | 1,316             |

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

**LEAGUE of UNITED LATIN AMERICAN CITIZENS**  
**National Office**  
**Statement of Activities - Budget to Actual**  
**Year Ended December 31, 2005**

|                                | <u>ACTUAL</u>       | <u>BUDGET</u>       | <u>DIFFERENCE</u>  |
|--------------------------------|---------------------|---------------------|--------------------|
| Printing                       | 0                   | 2,100               | 2,100              |
| Professional Service           | 13,838              | 6,000               | (7,838)            |
| Promotional and Goodwill       | 3,298               | 2,250               | (1,048)            |
| Payroll Taxes                  | 9,026               | 6,000               | (3,026)            |
| Press Bulletins                | 0                   | 0                   | 0                  |
| Policy Expenses                | 3,589               | 1,950               | (1,639)            |
| Repairs and Maintenance        | 0                   | 0                   | 0                  |
| Rent                           | 10,691              | 10,800              | 109                |
| Salaries                       | 104,573             | 69,000              | (35,573)           |
| Supplies                       | 0                   | 1,500               | 1,500              |
| Telephone                      | 3,150               | 9,000               | 5,850              |
| Travel                         | 46,392              | 44,500              | (1,892)            |
| Vice Presidents Allocations    | 31,033              | 29,952              | (1,081)            |
| Legislative Dinner Expense     | 0                   | 2,500               | 2,500              |
| Texas Redistricting Issue      | 1,227               | 0                   | (1,227)            |
| Uncollectible Accounts         | 2,408               | 0                   | (2,408)            |
| Voter Project                  | 1,195               | 0                   | (1,195)            |
| Social Security Project (AARP) | <u>25,464</u>       | <u>37,000</u>       | <u>11,536</u>      |
| <b>TOTAL EXPENSES</b>          | <u>320,445</u>      | <u>281,558</u>      | <u>(38,887)</u>    |
| <b>CHANGE IN NET ASSETS</b>    | <u>\$ (190,501)</u> | <u>\$ (144,133)</u> | <u>\$ (46,368)</u> |

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