

**Hispanos Unidos de Buffalo, Inc. and
Buffalo Hispanic Management Company, Inc.**

**Combined Financial Statements
As of December 31, 2019
Together With
Independent Auditor's Report**

Hispanos Unidos de Buffalo, Inc. and Buffalo Hispanic Management Company, Inc.

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-2
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statement of Functional Expenses	5
Combined Statements of Cash Flows	6
Notes to Financial Statements	7-11
Supplementary Information	12-20



**tette
ingersoll**
& co., CPAs, PC

The Board of Directors
Hispanos Unidos De Buffalo, Inc. and
Buffalo Hispanic Management Company, Inc.
Buffalo, New York

We have audited the accompanying combined financial statements of Hispanos Unidos De Buffalo, Inc. and Buffalo Hispanic Management Company, Inc. (the Organizations), which comprise the combined statement of financial position as of December 31, 2019, and the related combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organizations' preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Hispanos Unidos De Buffalo, Inc. and Buffalo Hispanic Management Company, Inc. as of December 31, 2019, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BUFFALO

36 Niagara Street
Tonawanda, NY 14150
P: (716) 694-0336

COOPERSTOWN

55057 Grove Street
Cooperstown, NY 13326
P: (607) 282-4161

ONEONTA

189 Main Street, Suite 302
Oneonta, NY 13820
P: (607) 432-3462

PERRY

199 S. Main Street, PO Box 1
Perry, NY 14530
P: (585) 237-3896

ROCHESTER

150 State Street, Suite 301 A
Rochester, NY 14614
P: (585) 410-6733

VICTOR

6536 Anthony Drive, Suite B
Victor, NY 14564
P: (585) 410-6733

Report on 2018 Financial Statements

The combined financial statements and supplementary information of Hispanos Unidos De Buffalo, Inc. and Buffalo Hispanic Management Company, Inc. as of December 31, 2018, were audited by other accountants whose report dated June 6, 2019 expressed an unqualified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent in all material respects within the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2019 combined financial statements as a whole. The 2019 combining statement of financial position, combining statement of activities, combining expenses, New York State Housing Agency Contract Summary, statements of financial position and revenue and expenses for 251 Virginia Avenue, Buffalo, New York are presented for the purposes of additional analysis and are not a require part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Tette, Ingersoll & Co., CPAs, PC

Tonawanda, New York
July 1, 2020

HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
COMBINED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31,

	<u>ASSETS</u>	
	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 236,430	\$ 253,207
Government grants and other receivables	534,191	443,812
Prepaid expenses	69,115	12,118
Property and equipment, net	3,427,888	3,630,747
Other	<u>40,024</u>	<u>50,604</u>
TOTAL ASSETS	<u>\$ 4,307,648</u>	<u>\$ 4,390,488</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Current portion-long term debt	\$ 44,383	\$ 32,000
Advances-related parties	1,091,497	1,093,229
Accounts payable	52,978	48,307
Accrued expenses	136,735	99,374
Refundable advances	22,115	115,807
Long-term debt, net of current portion	<u>1,547,517</u>	<u>1,589,043</u>
TOTAL LIABILITIES	<u>2,895,225</u>	<u>2,977,760</u>
<u>NET ASSETS</u>		
Net assets without donor restrictions	1,409,570	1,343,728
Net assets with donor restrictions	<u>2,853</u>	<u>69,000</u>
	<u>1,412,423</u>	<u>1,412,728</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,307,648</u>	<u>\$ 4,390,488</u>

The accompanying notes are an integral
part of these financial statements

HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31,

	<u>2019</u>	<u>2018</u>
<u>NET ASSETS WITHOUT DONOR RESTRICTIONS</u>		
Revenues, gains, and other support:		
Grant and foundation income	\$ 856,908	\$ 717,389
Revenues-GBUANH	1,603,526	1,281,303
Contributions general	1,512	13,267
Rental income	350,554	365,801
Fundraising income	6,682	5,966
Miscellaneous income	2,605	11,404
TOTAL REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	2,821,787	2,395,130
Functional expenses:		
Program services	2,504,360	2,133,436
Management and general	320,585	302,627
TOTAL EXPENSES	2,824,945	2,436,063
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(3,158)	(40,933)
<u>NET ASSETS WITH DONOR RESTRICTIONS</u>		
Contributions-restricted-net	2,853	69,000
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	2,853	69,000
INCREASE (DECREASE) IN NET ASSETS	(305)	28,067
NET ASSETS AT BEGINNING OF YEAR	1,412,728	1,384,661
NET ASSETS AT END OF YEAR	\$ 1,412,423	\$ 1,412,728

The accompanying notes are an integral
part of these financial statements

HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With Comparative Totals for the Year Ended December 31, 2018)

	Program Services	Management and General	2019 Total	2018 Total
Compensation and related expenses:				
Salaries and wages	\$ 1,303,231	\$ 153,796	\$ 1,457,027	\$ 1,192,834
Employee benefits	194,612	21,624	216,236	196,028
Payroll taxes	101,455	11,273	112,728	85,725
Total compensation and	<u>1,599,298</u>	<u>186,693</u>	<u>1,785,991</u>	<u>1,474,587</u>
Operating expenses:				
Education and training	1,164	-	1,164	2,889
Contracted services-PASO	78,794	19,699	98,493	113,313
Insurance	17,352	2,904	20,256	29,697
Maintenance and repairs	82,311	7,931	90,242	40,508
Miscellaneous	-	2,708	2,708	5,394
Office expense	1,071	829	1,900	13,535
Postage	596	398	994	2,667
Professional fees	29,773	22,513	52,286	61,675
Rent	179,565	-	179,565	142,555
Bad debts	33,340	-	33,340	23,023
GBUAH administrative fees	164,090	-	164,090	122,955
Supplies	50,124	5,569	55,693	33,110
Travel	16,890	-	16,890	9,989
Interest	54,899	18,299	73,198	74,418
Utilities and telephone	65,690	12,043	77,733	85,085
Vehicle expenses	21,311	-	21,311	17,659
Payroll service fees	3,120	347	3,467	4,701
Bank charges	-	587	587	734
Depreciation and amortization	85,972	31,658	117,630	108,947
Taxes and fees	19,000	8,407	27,407	8,705
Program-grant expense	-	-	-	59,917
Total expenses	<u>\$2,504,360</u>	<u>\$ 320,585</u>	<u>\$2,824,945</u>	<u>\$2,436,063</u>

The accompanying notes are an integral
part of these financial statements

HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2019</u>	<u>2018</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (305)	\$ 28,067
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	117,630	108,947
Changes in:		
Government grants and other receivables	(90,379)	3,850
Prepaid expenses	(56,997)	7,492
Accounts payable	4,671	10,237
Advances-related parties	106,618	(823,502)
Accrued expenses	37,361	(12,695)
Refundable advances	(93,692)	76,594
	24,907	(601,010)
<u>NET CASH FLOW FROM OPERATING ACTIVITIES</u>		
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Acquisition of property and equipment	(12,541)	(505,477)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Proceeds from long-term debt	-	1,100,000
Closing costs	-	(39,035)
Payments on long-term debt	(29,143)	(17,468)
	(29,143)	1,043,497
	<u>NET CASH FLOW FROM FINANCING ACTIVITIES</u>	
	(29,143)	1,043,497
	CHANGE IN CASH	
	(16,777)	(62,990)
Cash and cash equivalents - beginning	253,207	316,197
Cash and cash equivalents - ending	\$ 236,430	\$ 253,207
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash paid for interest	\$ 73,198	\$ 74,418

The accompanying notes are an integral part of these financial statements

HISPANOS UNIDOS DE BUFFALO, INC, AND BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organizations

Hispanos Unidos De Buffalo, Inc. (HUB) is a not-for-profit corporation organized for the purpose to promote the social, cultural, educational and economic well-being of the Hispanic community in Western New York. HUB receives the majority of its funding from government grants and clinic revenues.

Buffalo Hispanic Management Company, Inc. (BHMC) is a not-for-profit corporation created to support and benefit the social, cultural, educational and economic programs of Hispanos Unidos De Buffalo, Inc., including rental property ownership.

Combined Financial Statements

The accompanying financial statements reflect the combination of the individual statements of Hispanos Unidos De Buffalo, Inc. and Buffalo Hispanic Management Company, Inc. (the Organization). The agencies are related through common directors. All significant intercompany accounts and transactions have been eliminated in combinations.

Cash

For purposes of the Statements of Cash Flows, the Organization considers all short-term securities purchased with a maturity of three months or less to be cash equivalents. At various times, cash in financial institutions may exceed federally insured limits and subject the Organization to concentrations of credit risk. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant risk with regards to cash.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting with U.S. generally accepted accounting principles GAAP). Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Organization's net assets and changes thereto are classified and reported as follows:

Net assets without donor restrictions – consist of amounts that are available for use in carrying out the activities of the Organization and are not subject to donor-imposed stipulations.

Net assets with donor restrictions – consist of amounts subject to donor-imposed stipulations that will be met by actions of the Organization and/or the passage of time, or maintained in perpetuity in accordance with donor intentions. On December 31, 2019 and 2018 the Organization had net assets with donor restrictions relating to contributions received to be used for specific purposes.

Government Grants Receivable

Government grants receivable consist of reimbursements due HUB for expenses incurred in accordance with terms of various grant contracts, primarily with the Federal Government, New York State and the County of Erie, New York.

Property and Equipment

Property and equipment is stated at cost or fair market value at the date of purchase or donation, net of accumulated depreciation. Depreciation is computed using the straight-line method over estimated useful life. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

Contributions

Contributions received are recorded as with or without donor restrictions. Contributions and support that are restricted by the donor are reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restrictions expires (that is, when a stipulated time restrictions ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statements of activities as net assets released from restrictions.

HISPANOS UNIDOS DE BUFFALO, INC, AND BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE-1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Refundable Advances

Refundable advances represent advances under programs or grants in excess of permitted grant or program expenditures. They are recognized as revenue in future periods as the appropriate expenses are incurred or will be refunded to the grantor agencies if any expenses are not incurred by the HUB.

Revenue Recognition

Revenue is recognized when the services are rendered in an amount that reflects the consideration the Organization expects to receive in exchange for those services. The Organization accounts for revenues at the established rates for the services rendered. The Organization enters into contracts with foundation and government grantors that may include various combinations of services, which are generally capable of being distinct and accounted for as separate performance obligations. Contracts with foundations and government grantors often include multiple services. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgement.

Cost Allocation

HUB and BHMC costs of providing its various programs and activities have been summarized on a functional basis in the combined statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on a related allocation base.

Grants

HUB receives government grants for the purpose of funding their programs. These amounts are recorded as revenue to the extent that expenses have been incurred for the programs. Amount received in advance of incurring the related costs are reported as refundable advances.

Tax Status

HUB is a not-for-profit organization exempt from taxes under section 501 (c) (3) of the Internal Revenue Code. BHMC is a not-for-profit organization exempt from income taxes under section 501 (c) (2) of the Internal Revenue Code.

The Organizations file their Return of Organization Exempt from Income Tax in the U.S. federal jurisdiction and HUB files its Annual Filing of Charitable Organizations in New York State.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the combined financial statements and accompanying notes. Actual results could differ from those estimates.

New Accounting Pronouncements

On June 18, 2018, FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The update addresses the difficulty and diversity in characterizing contracts with government agencies and others as reciprocal transactions (exchanges) or nonreciprocal transactions (contributions) and distinguishing between conditional and unconditional contributions. University Dental Associates, Inc. has incorporated the new guidance in their policies and procedures for interpreting contracts and recognizing revenue.

In May of 2014, FASB issued ASU 2014-09 Revenue from Contracts with Customers (Topic 606). UDA has adopted the new revenue recognition guidance during the year ended December 31, 2019, and has applied the standard retrospectively for the year ended December 31, 2018.

Donated Services

A substantial number of volunteers have donated significant amounts of their time to the Organizations' program services and fundraising efforts during the year; however, these donated services are not reflected in the combined financial statements since the services do not require specialized skills.

HISPANOS UNIDOS DE BUFFALO, INC, AND BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE-1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

The Organizations have evaluated events and transactions for potential recognition or disclosure in the combined financial statements through July 1, 2020, the date the combined financial statements were available to be issued.

Subsequent to December 31, 2019, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. In addition, global markets have seen significant declines. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. The Organization is pursuing, or has received, relief through Federal stimulus programs, such as its Paycheck Protection Program and Economic Injury Disaster Loan program to lessen the financial burden of the crisis. Accordingly, while management cannot quantify the financial and other impacts to the Organization, there is a reasonable possibility that the impact on the organization's financial position and results of future operations could be material.

NOTE 2-PROPERTY AND EQUIPMENT

	<u>2019</u>	<u>2018</u>
Land	\$ 692,149	\$ 692,149
Building and improvements	3,778,618	3,886,968
Furniture and equipment	415,542	415,542
Vehicle	97,887	97,888
Construction in progress	102,933	90,391
	<u>5,087,129</u>	<u>5,182,938</u>
Less accumulated depreciation	<u>(1,659,241)</u>	<u>(1,552,191)</u>
	<u>\$ 3,427,888</u>	<u>\$ 3,630,747</u>

Depreciation expense amounted to \$136,805 and \$100,043 for the years ended December 31, 2019 and 2018 respectively.

NOTE 3-RELATED PARTY TRANSACTIONS

The following summarizes transactions and balances with related entities:

	<u>2019</u>	<u>2018</u>
Advances from: Acacia Network, Inc. and affiliates	\$ 1,091,497	\$ 1,093,229
Other transactions:		
Rental income	\$ 126,132	\$ 116,796
Forgiveness of Reimbursement of payroll and related costs	\$ 145,253	\$ 55,526
Various expenses allocated to HUB	\$ 98,493	\$ 113,313
Interest expense	\$ -	\$ 38,743

HISPANOS UNIDOS DE BUFFALO, INC, AND BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4-LONG-TERM DEBT

	2019	2018
Non-interest bearing mortgage payable to the New York State Housing Trust Fund Corporation, secured by real estate, due payable April, 2052	\$ 295,893	\$ 295,893
4.68% mortgage payable due in monthly installments of \$1,640, including interest through August 2022 with a final payment of \$200,490 in August, 2022	226,862	235,082
5.68% mortgage payable, due in monthly installments of \$8,410 including interest and escrow payments, through June, 2023 with a final payment of approximately \$922,000 in June, 2023	1,069,145	1,090,068
	1,591,900	1,621,043
Less: Current Portion of Long-Term Debt	(44,383)	(32,000)
Notes Payable, Net of Current Portion	\$ 1,547,517	\$ 1,589,043

Aggregate maturities on long-term debt subsequent to December 31, 2019 are approximately as follows:

Year	Amount
2020	\$ 44,383
2021	56,820
2022	266,659
2023	928,145
Thereafter	295,893
	\$ 1,591,900

NOTE 5-CONCENTRATION OF CREDIT RISK

The Organization provides social services in Erie County. A substantial portion of HUB's receivables are due from Federal and New York State governmental agencies.

NOTE 6-AFFILIATION AGREEMENT

In August 2012, the Organization signed a reorganization agreement with Acacia Network, Inc. (Acacia) a New York State not-for-profit corporation. Under the agreement with Acacia, each existing director of HUB and BHMC resigned and a new board of directors was elected representing both Organizations. In addition, Acacia will be involved in the day to day operations, assist in grant proposals and in raising new revenues for the Organization.

HISPANOS UNIDOS DE BUFFALO, INC, AND BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
NOTES TO THE COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7-CONTINGENCIES

City of Buffalo Urban Renewal Agency – The City of Buffalo Urban Renewal Agency (BURA) provided \$150,000 to HUB to rehabilitate property located at 251 Virginia Street. The funding is for 20 years with no interest or repayment schedule. It will be forgiven at the end of the term in December 2020. If the Agency does not comply with the terms of the agreement, the amount provided will be considered to be in default and the original amount received shall be immediately due and payable.

Governmental Grants and Other Funding Programs - HUB has received grants and funding which are subject to audits by agencies of the State and other funding sources. These audits may result in disallowances of certain expenditures and may result in the returning of funds to these agencies. Management believes that any future disallowances, if any, will be immaterial.

NOTE 8-GRANT AND CLINIC FUNDING INCOME

HUB received approximately 83% and 77% of total supported revenue from three government grants and a health care clinic in 2019 and 2018, respectively.

NOTE 9-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization’s financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of December 31.

	2019	2018
Financial assets at year end:		
Cash and cash equivalents	\$ 236,430	\$ 253,207
Accounts receivable, net	534,191	443,812
Total financial assets	770,621	697,019
Less financial assets held to meet donor-imposed restrictions:		
Net assets with donor restrictions	<u>(2,853)</u>	<u>(69,000)</u>
Financial assets available to meet general expenditures over the next twelve months	\$ 767,768	\$ 628,019

The Organization’s goal is generally to maintain financial assets to meet 90 days of operating expenses which is approximately \$677,000. As part of a liquidity plan, excess cash is invested in savings accounts.

**HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019**

	Hispanos Unidos De Buffalo, Inc.	Buffalo Hispanic Management Company, Inc.	Eliminations	Total
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	\$ 204,578	\$ 31,852	\$ -	\$ 236,430
Government grants and other receivables	527,676	6,515	-	534,191
Prepaid expenses	38,166	30,949	-	69,115
Total current assets	<u>770,420</u>	<u>69,316</u>	<u>-</u>	<u>839,736</u>
Property and equipment:				
Land	36,924	655,225	-	692,149
Building and improvements	1,057,087	2,721,531	-	3,778,618
Furniture and equipment	411,588	3,954	-	415,542
Vehicles	97,887	-	-	97,887
Construction in process	102,933	-	-	102,933
	<u>1,706,419</u>	<u>3,380,710</u>	<u>-</u>	<u>5,087,129</u>
Less accumulated depreciation	(1,115,822)	(543,419)	-	(1,659,241)
Net property and equipment	<u>590,597</u>	<u>2,837,291</u>	<u>-</u>	<u>3,427,888</u>
Other assets:				
Advances to Hispanics United De Buffalo, Inc.	(34,690)	34,690	-	-
Other	-	40,024	-	40,024
TOTAL ASSETS	<u>\$ 1,326,327</u>	<u>\$ 2,981,321</u>	<u>\$ -</u>	<u>\$ 4,307,648</u>
<u>LIABILITIES AND NET ASSETS</u>				
Current liabilities:				
Current portion-long term debt	\$ -	\$ 44,383	\$ -	\$ 44,383
Advances-related parties	(511,146)	1,602,643	-	1,091,497
Accounts payable	24,470	28,508	-	52,978
Accrued expenses	131,058	5,677	-	136,735
Refundable advances	22,115	-	-	22,115
Total current liabilities	<u>(333,503)</u>	<u>1,681,211</u>	<u>-</u>	<u>1,347,708</u>
Long-term debt	295,893	1,251,624	-	1,547,517
<u>NET ASSETS</u>				
Net assets without donor restrictions	1,361,084	48,486	-	1,409,570
Net assets with donor restrictions	2,853	-	-	2,853
Total net assets	<u>1,363,937</u>	<u>48,486</u>	<u>-</u>	<u>1,412,423</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,326,327</u>	<u>\$ 2,981,321</u>	<u>\$ -</u>	<u>\$ 4,307,648</u>

**HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
COMBINING STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018**

	Hispanos Unidos De Buffalo, Inc.	Buffalo Hispanic Management Company, Inc.	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 216,593	\$ 36,614	\$ -	\$ 253,207
Government grants and other receivables	433,310	10,502	-	443,812
Prepaid expenses	197	11,921	-	12,118
Total current assets	<u>650,100</u>	<u>59,037</u>	<u>-</u>	<u>709,137</u>
Property and equipment:				
Land	4,124	688,025	-	692,149
Building and improvements	724,587	3,162,381	-	3,886,968
Furniture and equipment	411,588	3,954	-	415,542
Vehicles	97,888	-	-	97,888
Construction in process	90,391	-	-	90,391
	<u>1,328,578</u>	<u>3,854,360</u>	<u>-</u>	<u>5,182,938</u>
Less accumulated depreciation	(864,014)	(688,177)	-	(1,552,191)
Net property and equipment	<u>464,564</u>	<u>3,166,183</u>	<u>-</u>	<u>3,630,747</u>
Other assets:				
Advances to Hispanics United De Buffalo, Inc.	(34,690)	34,690	-	-
Other	-	50,604	-	50,604
TOTAL ASSETS	<u>\$ 1,079,974</u>	<u>\$ 3,310,514</u>	<u>\$ -</u>	<u>\$ 4,390,488</u>
LIABILITIES AND NET ASSETS				
Current liabilities:				
Current portion-long term debt	\$ -	\$ 32,000	\$ -	\$ 32,000
Advances-related parties	(783,039)	1,876,268	-	1,093,229
Accounts payable	24,107	24,200	-	48,307
Accrued expenses	93,698	5,676	-	99,374
Refundable advances	115,807	-	-	115,807
Total current liabilities	<u>(549,427)</u>	<u>1,938,144</u>	<u>-</u>	<u>1,388,717</u>
Long-term debt	295,893	1,293,150	-	1,589,043
Net assets:				
Net assets without donor restrictions	1,264,508	79,220	-	1,343,728
Net assets with donor restrictions	69,000	-	-	69,000
Total net assets	<u>1,333,508</u>	<u>79,220</u>	<u>-</u>	<u>1,412,728</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,079,974</u>	<u>\$ 3,310,514</u>	<u>\$ -</u>	<u>\$ 4,390,488</u>

HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Hispanos Unidos De Buffalo, Inc.	Buffalo Hispanic Management Company, Inc.	Eliminations	Total
<u>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u>				
Revenues, gains, and other support:				
Grant and foundation income	\$ 856,908	\$ -	\$ -	\$ 856,908
Revenues-GBUANH	1,603,526	-	-	1,603,526
Contributions general	1,512	-	-	1,512
Rental income	75,707	274,847	-	350,554
Fundraising income	6,682	-	-	6,682
Miscellaneous income	2,605	-	-	2,605
TOTAL REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	2,546,940	274,847	-	2,821,787
Functional expenses:				
Program services	2,272,540	231,820	-	2,504,360
Management and general	246,824	73,761	-	320,585
TOTAL EXPENSES	2,519,364	305,581	-	2,824,945
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	27,576	(30,734)	-	(3,158)
<u>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</u>				
Contributions-restricted-net	2,853	-	-	2,853
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	2,853	-	-	2,853
INCREASE (DECREASE) IN NET ASSETS	30,429	(30,734)	-	(305)
NET ASSETS AT BEGINNING OF YEAR	1,333,508	79,220	-	1,412,728
NET ASSETS AT END OF YEAR	\$ 1,363,937	\$ 48,486	\$ -	\$ 1,412,423

HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Hispanos Unidos De Buffalo, Inc.	Buffalo Hispanic Management Company, Inc.	Eliminations	Total
<u>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u>				
Revenues, gains, and other support:				
Grant and foundation income	\$ 717,389	\$ -	\$ -	\$ 717,389
Revenues-GBUANH	1,281,303	-	-	1,281,303
Contributions general	13,267	-	-	13,267
Rental income	148,596	217,205	-	365,801
Fundraising income	5,966	-	-	5,966
Miscellaneous income	11,404	-	-	11,404
TOTAL REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	2,177,925	217,205	-	2,395,130
Functional expenses:				
Program services	1,956,141	177,295	-	2,133,436
Management and general	230,203	72,424	-	302,627
TOTAL EXPENSES	2,186,344	249,719	-	2,436,063
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(8,419)	(32,514)	-	(40,933)
<u>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</u>				
Contributions-restricted-net	69,000	-	-	69,000
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	69,000	-	-	69,000
INCREASE (DECREASE) IN NET ASSETS	60,581	(32,514)	-	28,067
NET ASSETS AT BEGINNING OF YEAR	1,272,927	111,734	-	1,384,661
NET ASSETS AT END OF YEAR	\$ 1,333,508	\$ 79,220	\$ -	\$ 1,412,728

HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
COMBINING STATEMENT OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Hispanos Unidos De Buffalo, Inc.	Buffalo Hispanic Management Company, Inc.	Eliminations	2019 Total
Compensation and related expenses:				
Salaries and wages	\$ 1,448,034	\$ 8,993		\$ 1,457,027
Employee benefits	216,236	-	-	216,236
Payroll taxes	112,728	-	-	112,728
Total compensation and	<u>1,776,998</u>	<u>8,993</u>	<u>-</u>	<u>1,785,991</u>
Operating expenses:				
Education and training	1,164	-	-	1,164
Contracted services-PASO	98,493	-	-	98,493
Insurance	14,520	5,736	-	20,256
Maintenance and repairs	39,657	50,585	-	90,242
Miscellaneous	(2,806)	5,514	-	2,708
Office expense	1,785	115	-	1,900
Postage	994	-	-	994
Professional fees	36,298	15,988	-	52,286
Rent	179,565	-	-	179,565
Bad debts	33,340	-	-	33,340
GBUAH administrative fees	164,090	-	-	164,090
Supplies	55,693	-	-	55,693
Travel	16,890	-	-	16,890
Interest	-	73,198	-	73,198
Utilities and telephone	48,173	29,560	-	77,733
Vehicle expenses	21,311	-	-	21,311
Payroll service fees	3,467	-	-	3,467
Bank charges	497	90	-	587
Depreciation and amortization	29,235	88,395	-	117,630
Taxes and fees	-	27,407	-	27,407
Total expenses	<u>\$ 2,519,364</u>	<u>\$ 305,581</u>	<u>\$ -</u>	<u>\$ 2,824,945</u>

HISPANOS UNIDOS DE BUFFALO, INC. AND
BUFFALO HISPANIC MANAGEMENT COMPANY, INC.
COMBINING STATEMENT OF EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Hispanos Unidos De Buffalo, Inc.	Buffalo Hispanic Management Company, Inc.	Eliminations	2018 Total
Compensation and related expenses:				
Salaries and wages	\$ 1,192,834	\$ -		\$ 1,192,834
Employee benefits	196,028	-	-	196,028
Payroll taxes	85,725	-	-	85,725
Total compensation and	<u>1,474,587</u>	<u>-</u>	<u>-</u>	<u>1,474,587</u>
Operating expenses:				
Education and training	2,889	-	-	2,889
Program-grant expense	59,917	-	-	59,917
Contracted services-PASO	113,313	-	-	113,313
Insurance	29,697	-	-	29,697
Maintenance and repairs	7,172	33,336	-	40,508
Miscellaneous	3,731	1,663	-	5,394
Office expense	13,535	-	-	13,535
Postage	2,667	-	-	2,667
Professional fees	38,065	23,610	-	61,675
Rent	142,555	-	-	142,555
Bad debts	23,023	-	-	23,023
GBUAH administrative fees	122,955	-	-	122,955
Vehicle expense	17,659	-	-	17,659
Supplies	33,110	-	-	33,110
Travel	9,989	-	-	9,989
Interest	-	74,418	-	74,418
Utilities and telephone	53,803	31,282	-	85,085
Taxes and fees	-	8,705	-	8,705
Payroll service fees	4,701	-	-	4,701
Bank charges	459	275	-	734
Depreciation and amortization	<u>32,517</u>	<u>76,430</u>	<u>-</u>	<u>108,947</u>
Total expenses	<u>\$ 2,186,344</u>	<u>\$ 249,719</u>	<u>\$ -</u>	<u>\$ 2,436,063</u>

HISPANOS UNIDOS DE BUFFALO, INC.
New York State Housing Agency Project
251 Virginia Avenue, Buffalo, New York
Statement of Financial Position
As of Deceber 31, 2019

ASSETS

Current assets:

Cash-operating reserve	\$	19,788
Cash-replacement reserve		4,661
Cash-security deposits		2,650
		27,099

Property and equipment:

Land		4,124
Building and improvements		560,767
Less accumulated depreciation		(202,138)
		362,753

TOTAL ASSETS \$ 389,852

LIABILITIES AND NET ASSETS

Liabilities and net assets:

Due to operating	\$	136,491
Tenant security deposits		2,650
		139,141

TOTAL LIABILITIES

Net assets without donor restrictions:

Beginning of the year		266,741
Change in net assets		(16,030)
		250,711

TOTAL LIABILITIES AND NET ASSETS \$ 389,852

HISPANOS UNIDOS DE BUFFALO, INC.
New York State Housing Agency Project
251 Virginia Avenue, Buffalo, New York
Statement of Revenue and Expenses
For the year ended December 31, 2019

Revenue:		
Rental Income		\$ 31,800
Vacancies		(4,658)
	NET RENTAL INCOME	<u>27,142</u>
Expenses:		
Salaries		185
Fringe benefits		281
Supplies and materials		2,229
Contract-services		5,589
Equipment		872
Utilities		8,151
Repairs and maintenance		7,918
Miscellaneous		1,146
Insurance		2,500
	TOTAL EXPENSES	<u>28,871</u>
	OPERATING LOSS BEFORE DEPRECIATION AND ADDITIONS TO RESERVE	(1,729)
Depreciation		(14,301)
Additions to reserves		<u>-</u>
	CHANGE IN NET ASSETS	<u><u>\$ (16,030)</u></u>

HISPANOS UNIDOS DE BUFFALO, INC.
New York State Housing Agency Project
Statement of Income and Expenses
HCR Contract 20160069NPPH
For the period July 1, 2018 through June 30, 2019

	<u>Annual Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenue:			
Grant Income	<u>\$ 88,671</u>	<u>\$ 88,671</u>	<u>\$ -</u>
Expenses:			
Salaries	67,000	65,587	1,413
Fringe Benefits:			
Social security	5,126	5,017	109
Fringe benefits	<u>10,284</u>	<u>9,496</u>	<u>788</u>
Total Fringe benefits	15,410	14,513	897
Regulated OTPS:			
Insurance/bonding	2,000	2,000	-
Audit	<u>1,000</u>	<u>2,875</u>	<u>(1,875)</u>
Total Regulated OTPS	3,000	4,875	(1,875)
General OTPS:			
Transportation	-	113	(113)
Rent/utilities	2,600	3,068	(468)
Office supplies	<u>661</u>	<u>375</u>	<u>286</u>
Total General OTPS	<u>3,261</u>	<u>3,556</u>	<u>(295)</u>
Total Expenses	<u>\$ 88,671</u>	<u>\$ 88,531</u>	<u>\$ 140</u>