



*Hispanic Chamber
of Commerce*
WISCONSIN

12 April 2016

Ms. Ruth Rohlich
Business Development Specialist
City of Madison Economic Development Division
215 Martin Luther King Jr. Blvd
MMB 300
Madison, WI 53703

RE: Financials for the HCCW Grant Application to the City of Madison RFP#8452-0-2015-RR Entrepreneurship & Small Business Development Resource Fund

Dear Ruth,

In 2012 the Hispanic Chamber of Commerce of Wisconsin came under new leadership and continues to transition files and firm up overall management and oversight of the organization's legal and financial information. With this letter, please find the most recently filed financial statements for the Hispanic Chamber of Commerce of Wisconsin as prepared by the outside accounting firm Ritz Holman:

1. 2015 Year-end Financial Statement - Preliminary
2. 2014 Year-end Financial Statement
3. 2013 Year-end Financial Statement
4. 2012 Financial Audit

The HCCW, with support from the HCCW CEO Economic Leadership Committee Co-chair Johnson Controls and services provided by Ernst & Young, is in progress with fully transitioning all files and information. Ritz Holman is preparing a combined financial audit to include 2013, 2014 and 2015 and can be made available to you upon completion.

Thank you for your outstanding leadership through your work with the City of Madison Economic Development Division. We look forward to working together to drive the economic development of technology businesses in Madison, WI.

Yours truly in economic and workforce leadership and success,

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN

Jorge Franco
Chairman, President and Chief Executive Officer

HCCW Economic & Workforce Leadership Center of Excellence
1021 W. National Avenue
Milwaukee, WI 53204

Jorge@HCCW.org Electronic Mail
Maritza@HCCW.org Courtesy Copy

(414) 469-3024 Mobile w/ Text Messaging

Hispanic Chamber of Commerce of Wisconsin, Inc.
Balance Sheet Preliminary
As of December 31, 2015

	Total
ASSETS	
Current Assets	
Bank Accounts	
Cash	0.00
1040-00 Landmark Chkg	20,526.10
1042-00 US Bank Money Market	125,110.74
1043-00 Landmark-HCCW Training Initiative	(1,355.43)
1150-00 Petty Cash	937.51
1160-00 US Bank TA Account	36,209.06
1170-02 BMO Harris HCEF Chkg	1,512.32
Total Cash	\$ 182,940.30
Total Bank Accounts	\$ 182,940.30
Accounts Receivable	
1070-00 Grants Receivable	287,364.89
1080-00 AR-Loans from TA Account	19,845.05
1085-00 Accts Rec	80,545.89
Total Accounts Receivable	\$ 387,755.83
Other current assets	
1105-00 Prepaid Expenses	194.91
1499-00 Undeposited Funds	20,056.92
1600-02 HCEF Due-Chamber	181,289.64
Total Other current assets	\$ 201,541.47
Total Current Assets	\$ 772,237.60
Fixed Assets	
1130-00 Furniture & Equipt	119,047.18
1140-00 A/D-Furniture & Equipt	(81,739.35)
1300-00 Land	38,626.05
1400-00 Building	1,985,617.31
1420-00 A/D-Building	(380,922.62)
Total Fixed Assets	\$ 1,680,628.57
TOTAL ASSETS	\$ 2,452,866.17
LIABILITIES ANDEQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010-00 Accounts payable	317,264.64
Total Accounts Payable	\$ 317,264.64
Other Current Liabilities	
2012-00 Due to Education Fund	179,619.64
2021-00 Line Credit #2 Landmark	135,000.00
2022-00 Current Portion-Mortgage	16,131.00
2023 Town Bank Short Term Loan	50,000.00
2037-00 Wis. Dept. of Revenue Sales Tax Payable	75.24

2100-00 Payroll Liabilities		0.00
2104 401k		17,931.61
2109 WI Support Collections Trust Fund		82.50
Total 2100-00 Payroll Liabilities	\$	18,014.11
Deferred Rev		
2030-00 Deferred funds billed		3,650.00
2035-00 Deferred Revenue		183,430.65
2036-00 Deferred Revenue-Loan Fund Liability		100,000.00
Total Deferred Rev	\$	287,080.65
Total Other Current Liabilities	\$	685,920.64
Total Current Liabilities	\$	1,003,185.28
Long-Term Liabilities		
2019-00 Mortgage Payable FEB 2015		666,952.22
2023-00 Less- Curr Portion-Mortgage		(16,131.00)
2024-00 Notes Payable		200,000.00
Total Long-Term Liabilities	\$	850,821.22
Total Liabilities	\$	1,854,006.50
Equity		
3000-00 Net Assets-Oper Fund		972,431.76
3090-02 Net Assets-HCEF		180,830.62
3900-00 Net Assets		(169,998.57)
Net Income		(384,404.14)
Total Equity	\$	598,859.67
TOTAL LIABILITIES AND EQUITY	\$	2,452,866.17

Hispanic Chamber of Commerce of Wisconsin, Inc.
Revenue & Expense Preliminary
December 2015

	Total	
	Dec 2015	Jan - Dec 2015 (YTD)
Income		
4000 Dues income	10,140.00	1,030.39
4030-00 Corporate Partnership	50,000.00	329,000.00
4060-00 MiscIncome	10.00	40,019.08
4065-00 HCCW Training Initiative Grants	20,350.00	337,724.13
4080-00 Contributions	15.25	6,926.50
4100 Fiesta Tailgate		(21,632.98)
4130-00 Business Service Fee	220.86	5,827.80
4132-00 Business Workshops		170.00
4135-00 Empowering Latinos		3,919.00
4160-00 Veterans Program Income		50.00
4520 Gala		22,675.69
4700 Salute to Hispanic Women		9,515.52
Billable Expense Income		24,000.00
Discounts given	(6.96)	(698.32)
Grant Revenue		491,450.30
Investment income	1.52	180.68
Other income		653.00
Total Income	\$ 80,730.67	\$ 1,250,810.79
Gross Profit	\$ 80,730.67	\$ 1,250,810.79
Expenses		
5000-00 Employee health ins	11,452.21	103,991.81
5010-00 Salaries	79,694.61	893,519.40
5020-00 Social Security tax exp	6,053.23	70,126.14
5031-00 Suta tax expense		9,021.31
5040-00 Telephone		119.49
5048-00 Internet Service		339.65
5050-00 Office supplies	193.16	10,303.42
5051-00 Repairs and maint		1,813.67
5055-00 Copier expense	1,852.51	9,402.55
5064-01 Supplies & Materials	52.98	3,091.88
5065-00 Printing expense		6,207.00
5066-00 Postage expense		2,805.95
5067-00 Equipment leases	921.08	10,097.38
5070-00 Luncheons & Banquets		2,145.39
5071-00 Veterans Program Events Expense		10,679.33
5080-00 Donations		10,875.00
5090-00 Advertising expense		105.00
5111-00 Payroll expenses	158.50	7,619.47
5112-00 Other Fees and Licenses		4,169.81
5115-00 Professional services	3,346.10	64,523.79

5120-00 General Insurance	3,825.52	20,099.43
5135 Empowering Latinos Expense	1,000.00	2,400.00
5145-00 Interest Expense	1,185.69	32,156.55
5160-00 Dues and Subscriptions		9,500.00
5170-00 Building and Maint	193.35	11,801.07
5171-00 Utility Exp	6,198.19	50,941.54
5180-00 Meetings	238.00	19,800.54
5182-00 Committee mtgs		3,410.59
5190-00 Parking		55.75
5191-00 Travel		2,635.67
5240-00 Office Rental Expense		120.90
5300-00 Bank service charges	4.20	260.21
5300-02 Bank Charges		279.85
5300-10 Bank fees		1,865.00
5310-00 Credit Card Processing Fees	47.66	7,083.85
5400-00 Miscellaneous expense		1,708.73
6560-00 *Payroll Expenses		1,362.37
Employee Expense Reimbursement	1,100.88	14,860.76
Fundraising expense		148.00
HCCW Asphalt Training Initiative		4,735.17
HCCW Training Initiative Expense	4,326.23	226,816.86
Madison, WI Office		68.71
Payroll related expenses	2,910.68	4,946.01
Purchases	346.33	2,887.95
Scholarship Luncheon		1,059.69
Total Expenses	\$ 125,101.11	\$ 1,641,962.64
Net Operating Income	\$ (44,370.44)	\$ (391,151.85)
Other Income		
4085-02 HCEF-Contributions		25,497.71
Total Other Income	\$ -	\$ 25,497.71
Other Expenses		
5600-02 HCEF-Scholar Awarded-	1,250.00	18,750.00
Total Other Expenses	\$ 1,250.00	\$ 18,750.00
Net Other Income	\$ (1,250.00)	\$ 6,747.71
Net Income	\$ (45,620.44)	\$ (384,404.14)

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC.
FINANCIAL STATEMENTS
FOR THE MONTH AND YEAR ENDED DECEMBER 31, 2014
with Accountant's Compilation Report

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Hispanic Chamber of Commerce of Wisconsin, Inc.
Milwaukee, Wisconsin

We have compiled the accompanying balance sheet of Hispanic Chamber of Commerce of Wisconsin, Inc. (a non-profit organization) as of December 31, 2014, and the related statements of revenue and expense for the month and year then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Hispanic Chamber of Commerce of Wisconsin, Inc.

RITZ HOLMAN LLP
Certified Public Accountants

April 22, 2015

Ritz Holman LLP
Serving businesses, nonprofits, individuals and trusts.

Two Plaza East, Suite 550 t. 414.271.1451
330 East Kilbourn Avenue f. 414.271.7464
Milwaukee, WI 53202 ritzholman.com

Hispanic Chamber of Commerce of Wisconsin, Inc.

Balance Sheet

As of December 31, 2014

	Total
ASSETS	
Current Assets	
Bank Accounts	
Cash	317,397
Total Bank Accounts	\$ 317,397
Accounts Receivable	
1070-00 Grants Receivable	337,365
1085-00 Accts Rec	86,204
Total Accounts Receivable	\$ 423,569
Other current assets	
1105-00 Prepaid Expenses	195
1499-00 Undeposited Funds	8,175
1600-02 HCEF Due-Chamber	181,290
Total Other current assets	\$ 189,660
Total Current Assets	\$ 930,626
Fixed Assets	
1130-00 Furniture & Equip	119,047
1140-00 A/D-Furniture & Equip	(81,739)
1300-00 Land	38,626
1400-00 Building	1,985,617
1420-00 A/D-Building	(380,922)
Total Fixed Assets	\$ 1,680,629
TOTAL ASSETS	\$ 2,611,255
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010-00 Accounts payable	230,406
Total Accounts Payable	\$ 230,406
Other Current Liabilities	
2012-00 Due to Education Fund	181,290
2021-00 Line Credit #2 Landmark	74,922
2022-00 Current Portion-Mortgage	16,131
2100-00 Payroll Liabilities	13,073
Deferred Rev	432,221
Wisconsin Department of Revenue Payable	673
Total Other Current Liabilities	\$ 718,310
Total Current Liabilities	\$ 948,716
Long-Term Liabilities	
2020-00 Mortgage Pay-Landmark	697,487
2023-00 Less- Curr Portion-Mortgage	(16,131)
Total Long-Term Liabilities	\$ 681,356
Total Liabilities	\$ 1,630,072
Equity	
3000-00 Net Assets-Oper Fund	972,432
3090-02 Net Assets-HCEF	180,830
3900-00 Net Assets	(240,202)
Net Income	68,123
Total Equity	\$ 981,183
TOTAL LIABILITIES AND EQUITY	\$ 2,611,255

See Accountant's Compilation Report

Hispanic Chamber of Commerce of Wisconsin, Inc.

Revenue & Expense

December 2014

	Total	
	Dec 2014	Jan - Dec 2014 (YTD)
Income		
4000 Dues income	(84,308)	139,367
4052-00 Newsletter Adv	-	(325)
4060-00 Misc Income	88,000	538
4065-00 HCCW Training Initiative Grants	171,219	791,854
4080-00 Contributions	-	40,867
4085-00 In-Kind Contributions revenue	175,000	175,000
4100 Fiesta Tailgate	1,500	20,447
4130-00 Business Service Fee	1,283	20,596
4132-00 Business Workshops	(5)	44
4135-00 Empowering Latinos	-	27,780
4150 Jalapeno Golf	-	7,888
4250-00 Rental Income	-	38,480
4520 Gala	18,108	92,066
4700 Salute to Hispanic Women	-	39,058
Discounts given	(1,600)	(2,060)
Grant Revenue	(49,000)	51,000
Investment income	29	219
Other income	-	16,666
Uncategorized Income	-	832
Total Income	\$ 320,226	\$ 1,460,317
Gross Profit	\$ 320,226	\$ 1,460,317
Expenses		
5000-00 Employee health ins	2,840	36,903
5010-00 Salaries	35,304	521,974
5020-00 Social Security tax exp	23,334	59,633
5021-00 Medicare tax expense	-	1,926
5031-00 Suta tax expense	3,197	18,840
5035-00 In-Kind Contribution expense	175,000	175,000
5040-00 Telephone	-	-
5048-00 Internet Service	80	632
5050-00 Office supplies	290	26,339
5051-00 Repairs and maint	(16)	2
5055-00 Copier expense	647	10,953
5064-01 Supplies & Materials	-	1,463
5065-00 Printing expense	3,920	14,556
5066-00 Postage expense	135	11,994
5067-00 Equipment leases	812	4,148
5070-00 Luncheons & Banquets	903	(14,174)
5080-00 Donations	-	2,100

See Accountant's Compilation Report

Hispanic Chamber of Commerce of Wisconsin, Inc.

Revenue & Expense

December 2014

	Total	
	Dec 2014	Jan - Dec 2014 (YTD)
5090-00 Advertising expense	-	50
5111-00 Payroll expenses	92	1,596
5112-00 Other Fees and Licenses	50	4,323
5115-00 Professional services	-	27,165
5120-00 General Insurance	1,972	10,757
5135 Empowering Latinos Expense	780	880
5145-00 Interest Expense	4,421	40,431
5170-00 Building and Maint	317	9,565
5171-00 Utility Exp	2,157	50,057
5180-00 Meetings	536	8,647
5181-00 Board mtgs	-	497
5240-00 Office Rental Expense	-	424
5300-00 Bank service charges	171	1,642
5300-02 Bank Charges	-	(10)
5300-10 Bank fees	-	58
5310-00 Credit Card Processing Fees	-	4,727
5400-00 Miscellaneous expense	-	1,781
5700-00 HCCW Donation to HCEF	-	160
6560-00 *Payroll Expenses	50	50
9999 Ask My Accountant	(2,515)	(11,622)
9999-00 Uncategorized Exp	-	18,914
Employee Expense Reimbursement	(6,841)	3,742
Fundraising expense	-	148
HCCW Training Initiative Expense	188,705	338,572
Operating	-	900
Payroll related expenses	25	1,675
Purchases	-	900
Total Expenses	\$ 436,366	\$ 1,388,318
Net Operating Income	\$ (116,140)	\$ 71,999
Other Income		
4085-02 HCEF-Contributions	-	25,024
Total Other Income	\$ -	\$ 25,024
Other Expenses		
5600-02 HCEF-Scholar Awarded-	-	28,900
Total Other Expenses	\$ -	\$ 28,900
Net Other Income	\$ -	\$ (3,876)
Net Income	\$ (116,140)	\$ 68,123

See Accountant's Compilation Report

Hispanic Chamber of Commerce of Wisconsin, Inc.

Revenue & Expense with PY Comparison

January - December 2014

	Total	
	Jan - Dec 2014	Jan - Dec 2013 (PY)
Income		
4000 Dues income	139,367	135,833
4052-00 Newsletter Adv	(325)	1,200
4060-00 Misc Income	538	2,516
4065-00 HCCW Training Initiative Grants	791,854	-
4080-00 Contributions	40,867	69,735
4085-00 In-Kind Contributions revenue	175,000	-
4100 Fiesta Tailgate	20,447	48,478
4130-00 Business Service Fee	20,596	2,037
4132-00 Business Workshops	44	5,921
4135-00 Empowering Latinos	27,780	42,889
4150 Jalapeno Golf	7,888	27,420
4250-00 Rental Income	38,480	46,176
4300 BRAVO!	-	28,400
4520 Gala	92,066	143,281
4600-00 Legal Settlement	-	50,000
4700 Salute to Hispanic Women	39,058	19,742
Discounts given	(2,060)	-
Grant Revenue	51,000	158,400
Investment income	219	90
Other income	16,666	2,152
Uncategorized Income	832	-
Total Income	\$ 1,460,317	\$ 784,270
Gross Profit	\$ 1,460,317	\$ 784,270
Expenses		
5000-00 Employee health ins	36,903	37,399
5010-00 Salaries	521,974	251,318
5015-00 Profit Sharing Contrib	-	8,369
5020-00 Social Security tax exp	59,633	15,166
5021-00 Medicare tax expense	1,926	3,008
5031-00 Suta tax expense	18,840	3,473
5035-00 In-Kind Contribution expense	175,000	-
5040-00 Telephone	-	3,530
5048-00 Internet Service	632	97
5050-00 Office supplies	26,339	18,987
5051-00 Repairs and maint	2	400
5055-00 Copier expense	10,953	13,840
5061-01 Entertainment	-	1,300
5064-01 Supplies & Materials	1,463	64
5065-00 Printing expense	14,556	7,368
5066-00 Postage expense	11,994	6,992
5067-00 Equipment leases	4,148	3,123
5070-00 Luncheons & Banquets	(14,174)	2,530

See Accountant's Compilation Report

Hispanic Chamber of Commerce of Wisconsin, Inc.

Revenue & Expense with PY Comparison

January - December 2014

	Total	
	Jan - Dec 2014	Jan - Dec 2013 (PY)
5080-00 Donations	2,100	-
5090-00 Advertising expense	50	-
5111-00 Payroll expenses	1,596	1,345
5112-00 Other Fees and Licenses	4,323	3,703
5115-00 Professional services	27,165	90,294
5120-00 General Insurance	10,757	6,373
5135 Empowering Latinos Expense	880	-
5145-00 Interest Expense	40,431	39,900
5150-00 Appreciation expense	-	58
5160-00 Dues and Subscriptions	-	(105)
5170-00 Building and Maint	9,565	35,320
5171-00 Utility Exp	50,057	29,801
5180-00 Meetings	8,647	4,515
5181-00 Board mtgs	497	2,295
5240-00 Office Rental Expense	424	-
5300-00 Bank service charges	1,642	558
5300-02 Bank Charges	(10)	78
5300-10 Bank fees	58	14
5310-00 Credit Card Processing Fees	4,727	7,477
5400-00 Miscellaneous expense	1,781	26,268
5700-00 HCCW Donation to HCEF	160	9,488
6560-00 *Payroll Expenses	50	2,500
7100-00 Bad Debt Expense	-	74,658
9999 Ask My Accountant	(11,622)	-
9999-00 Uncategorized Exp	18,914	2,957
Employee Expense Reimbursement	3,742	-
Fundraising expense	148	3,838
HCCW Training Initiative Expense	338,572	-
Operating	900	-
Overhead	-	1,245
Payroll related expenses	1,675	174
Purchases	900	(18,134)
Total Expenses	\$ 1,388,318	\$ 701,584
Net Operating Income	\$ 71,999	\$ 82,686
Other Income		
4085-02 HCEF-Contributions	25,024	19,990
4625-02 HCEF Income	-	1,810
4625-30 HCEF Donat-Chamber	-	10,487
Total Other Income	\$ 25,024	\$ 32,287
Other Expenses		
5600-02 HCEF-Scholar Awarded-	28,900	28,875
Total Other Expenses	\$ 28,900	\$ 28,875
Net Other Income	\$ (3,876)	\$ 3,412
Net Income	\$ 68,123	\$ 86,098

See Accountant's Compilation Report

ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors
Hispanic Chamber of Commerce of Wisconsin, Inc.
Milwaukee, Wisconsin

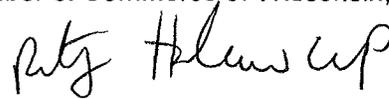
We have compiled the accompanying balance sheet of Hispanic Chamber of Commerce of Wisconsin, Inc. (a non-profit organization) as of December 31, 2013 and 2012, and the related statement of revenue and expenses for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit the statement of cash flows and substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures and statement were included in the financial statements, they might influence the user's conclusions about the Organization's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to Hispanic Chamber of Commerce of Wisconsin, Inc.



RITZ HOLMAN LLP
Certified Public Accountants

May 15, 2014

Ritz Holman LLP
Serving businesses, nonprofits, individuals and trusts.

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330 East Kilbourn Avenue f. 414.271.7464
Milwaukee, WI 53202 ritzholman.com

Hispanic Chamber of Commerce of Wisconsin, Inc.

Balance Sheet

As of December 31, 2013 and 2012

	Total	
	As of Dec 31, 2013	As of Dec 31, 2012 (PY)
ASSETS		
Current Assets		
Bank Accounts		
Cash	0.00	100.00
1040-00 Landmark Chkg	8,587.08	38,515.22
1041-00 Landmark Bldg Fnd	3,005.00	3,005.00
1042-00 US Bank Money Market	9,764.03	25,002.56
1150-00 Petty Cash	0.00	1,461.38
1160-00 US Bank TA Account	88,307.56	
1170-02 BMO Harris HCEF Chkg	1,835.27	2,487.77
1175-02 Landmark HCEF MM	984.25	1,103.21
Total Cash	\$ 112,483.19	\$ 71,675.14
Total Bank Accounts	\$ 112,483.19	\$ 71,675.14
Accounts Receivable		
1070-00 Grants Receivable	0.00	17,696.62
1085-00 A/R-Dues	94,180.50	40,133.63
1088-00 A/R-Fiesta Tailgate	0.00	(75.00)
1090-00 Accounts Receivable	0.00	18,040.90
Total Accounts Receivable	\$ 94,180.50	\$ 75,796.15
Other current assets		
1084-00 Other receivables	0.00	690.49
1105-00 Prepaid Expenses	1,991.55	2,241.31
1500-00 Prepaid banquet exp	0.00	7,686.49
1500-05 Prepaid Salute Exp	0.00	552.00
1500-06 Prepaid Exp-2013 Gala	0.00	2,000.00
1600-02 HCEF Due-Chamber	181,289.64	177,289.64
Total Other current assets	\$ 183,281.19	\$ 190,459.93
Total Current Assets	\$ 389,944.88	\$ 337,931.22
Fixed Assets		
1130-00 Furniture & Equipt	115,771.34	116,011.34
1140-00 A/D-Furniture & Equipt	(81,739.35)	(81,739.35)
1300-00 Land	38,626.05	38,626.05
1400-00 Building	1,985,617.31	1,985,617.31
1420-00 A/D-Building	(380,922.62)	(380,922.62)
Total Fixed Assets	\$ 1,677,352.73	\$ 1,677,592.73
TOTAL ASSETS	\$ 2,067,297.61	\$ 2,015,523.95
LIABILITIES AND EQUITY		

See Accountant's Compilation Report

Liabilities

Current Liabilities

Accounts Payable

2010-00 Accounts payable	51,577.74	37.52
2011 Accounts Payable-other	0.00	35,056.36

Total Accounts Payable	\$ 51,577.74	\$ 35,093.88
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Other Current Liabilities

2012-00 Due to Education Fund	181,289.64	177,289.64
2021-00 Line Credit #2 Landmark	74,921.99	74,922.68
2022-00 Current Portion-Mortgage	16,131.00	
2100-00 Payroll Liabilities	0.00	0.00
2101 Health (Aflac)	0.00	(1,989.97)
2102 Dental 125	0.00	(41.12)
2104 401k	3,216.52	269.16
2109 WI Support Collections Trust Fund	82.50	

Total 2100-00 Payroll Liabilities	\$ 3,299.02	\$ (1,761.93)
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Deferred Rev

2030-00 Deferred funds billed	159,420.00	118,977.50
2034-00 DeferBronze Corp Dues	0.00	(2,000.00)
2035-00 Deferred Revenue	0.00	53,657.60

Total Deferred Rev	\$ 159,420.00	\$ 170,635.10
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Total Other Current Liabilities	\$ 435,061.65	\$ 421,085.49
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Total Current Liabilities	\$ 486,639.39	\$ 456,179.37
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Long-Term Liabilities

2020-00 Mortgage Pay-Landmark	714,455.12	730,585.91
2023-00 Less- Curr Portion-Mortgage	(16,131.00)	

Total Long-Term Liabilities	\$ 698,324.12	\$ 730,585.91
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Total Liabilities	\$ 1,184,963.51	\$ 1,186,765.28
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Equity

3000-00 Net Assets-Oper Fund	977,704.33	977,704.33
3090-02 Net Assets-HCEF	177,354.69	177,354.69
3900-00 Net Assets	(326,300.35)	(268,195.03)
Net Income	53,575.43	(58,105.32)

Total Equity	\$ 882,334.10	\$ 828,758.67
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TOTAL LIABILITIES AND EQUITY	\$ 2,067,297.61	\$ 2,015,523.95
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TOTAL LIABILITIES AND EQUITY	\$ 3,252,261.12	\$ 3,202,289.23
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See Accountant's Compilation Report

Hispanic Chamber of Commerce of Wisconsin, Inc. Revenue & Expense

January - December 2013 & 2012

	Total	
	Jan - Dec 2013	Jan - Dec 2012 (PY)
Income		
4000 Dues income	135,832.50	157,293.13
4052-00 Newsletter Adv	1,200.00	2,800.00
4060-00 Misc Income	2,516.17	(10,413.91)
4080-00 Contributions	69,735.00	63,340.00
4100 Fiesta Tailgate	36,643.66	44,132.70
4130-00 Business Service Fee	2,037.25	880.00
4132-00 Business Workshops	5,920.50	1,110.00
4135-00 Empowering Latinos	42,889.35	
4150 Jalapeno Golf	21,120.30	27,642.18
4250-00 Rental Income	46,176.00	45,329.50
4300 BRAVO!	28,400.00	
4520 Gala	138,281.25	102,205.37
4539-02 Non-Profit Income		5,346.90
4600-00 Legal Settlement	50,000.00	
4700 Salute to Hispanic Women	19,741.85	18,426.81
4820-02 Other Primary Income		28.91
Grant Revenue	158,400.00	135,000.00
Investment income	90.27	28.03
Other income	2,152.47	21,641.45
Total Income	\$ 761,136.57	\$ 614,791.07
Gross Profit	\$ 761,136.57	\$ 614,791.07
Expenses		
5000-00 Employee health ins	37,398.64	19,043.54
5010-00 Salaries	251,318.44	237,311.10
5015-00 Profit Sharing Contrib	0.00	9,478.00
5020-00 Social Security tax exp	15,166.38	14,444.29
5021-00 Medicare tax expense	3,007.72	2,722.71
5031-00 Suta tax expense	3,472.93	761.08
5040-00 Telephone	3,530.04	4,456.24
5048-00 Internet Service	96.59	11.59
5050-00 Office supplies	19,737.18	12,901.91
5051-00 Repairs and maint	399.99	
5055-00 Copier expense	19,565.82	11,557.83
5061-01 Entertainment	1,300.00	9,404.97
5064-01 Supplies & Materials	63.98	2,323.85
5065-00 Printing expense	7,368.36	986.63
5066-00 Postage expense	7,164.38	4,097.88
5067-00 Equipment leases	3,133.35	94.65
5070-00 Luncheons & Banquets	2,530.27	568.80
5090-00 Advertising expense		217.00

See Accountant's Compilation Report

5111-00 Payroll expenses	1,345.21	972.50
5112-00 Other Fees and Licenses	3,702.59	3,903.25
5115-00 Professional services	91,430.50	164,194.10
5120-00 General Insurance	14,255.44	3,735.16
5145-00 Interest Expense	39,899.86	40,487.40
5150-00 Appreciation expense	58.07	
5160-00 Dues and Subscriptions	(104.85)	575.00
5170-00 Building and Maint	35,320.08	6,215.02
5171-00 Utility Exp	29,800.99	33,303.88
5180-00 Meetings	4,514.90	5,506.77
5181-00 Board mtgs	2,295.00	2,936.00
5250-00 USHCC Annual Convention		2,140.78
5300-00 Bank service charges	557.98	192.65
5300-02 Bank Charges	78.35	160.00
5300-10 Bank fees	13.80	364.80
5310-00 Credit Card Processing Fees	7,477.08	3,916.39
5400-00 Miscellaneous expense	26,268.04	487.08
5700-00 HCCW Donation to HCEF	9,487.50	
6560-00 *Payroll Expenses	2,500.00	241.00
7000-00 Depreciation Expense		63,182.79
7100-00 Bad Debt Expense	76,739.30	650.00
9999 Ask My Accountant		0.00
9999-00 Uncategorized Exp	2,956.68	0.00
Fundraising expense	3,838.01	0.00
Overhead	1,244.52	5,954.75
Payroll related expenses	174.34	
Purchases	(18,133.82)	
Total Expenses	\$ 710,973.64	\$ 669,501.39
Net Operating Income	\$ 50,162.93	\$ (54,710.32)
Other Income		
4085-02 HCEF-Contributions	19,990.00	30,355.00
4625-02 HCEF Income	1,810.00	(1,850.00)
4625-30 HCEF Donat-Chamber	10,487.50	1,850.00
Total Other Income	\$ 32,287.50	\$ 30,355.00
Other Expenses		
5600-02 HCEF-Scholar Awarded-	28,875.00	33,750.00
Total Other Expenses	\$ 28,875.00	\$ 33,750.00
Net Other Income	\$ 3,412.50	\$ (3,395.00)
Net Income	\$ 53,575.43	\$ (58,105.32)

See Accountant's Compilation Report

**HISPANIC CHAMBER OF COMMERCE
OF WISCONSIN, INC. AND AFFILIATE**
Milwaukee, Wisconsin

Consolidated Audited Financial Statements

Year Ended December 31, 2012 and 2011

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Steven R. Volz
Thomas G. Wieland
David A. Grotkin
Joel A. Joyce



Brian J. Mechenich
Carrie A. Gindt
Patrick G. Hoffert
Jason J. Wrasse

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Hispanic Chamber of Commerce of Wisconsin, Inc.
Milwaukee, WI

We have audited the accompanying financial statements of Hispanic Chamber of Commerce of Wisconsin, Inc. (Chamber) and Affiliate (Education Fund), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the 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 Organization's internal control. 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Hispanic Chamber of Commerce of Wisconsin, Inc. and Affiliate as of December 31, 2012, and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Hispanic Chamber of Commerce of Wisconsin, Inc. and Affiliate's 2011 financial statements, and our report dated May 25, 2012, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2011, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Rilly, Penner & Bentor LLP

December 2, 2013
Milwaukee, Wisconsin

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC. AND AFFILIATE
Milwaukee, Wisconsin

Consolidated Statements of Financial Position
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Assets:		
Current Assets:		
Cash and equivalents	\$ 46,675	\$ 146,484
Promises to give, net	12,500	-
Membership dues receivable	65,568	77,635
Other receivables	690	9,797
Prepaid expenses	12,480	11,035
Total current assets	137,913	244,951
Property and Equipment:		
Land	38,626	38,626
Building	1,985,617	1,985,617
Furniture & equipment	116,011	135,488
Less - Accumulated depreciation	(462,661)	(437,357)
Total property and equipment	1,677,593	1,722,374
Other Assets:		
Cash and equivalents - Permanently restricted for revolving loan fund	25,000	-
Total assets	\$ 1,840,506	\$ 1,967,325
Liabilities and Net Assets:		
Current Liabilities:		
Accounts payable	\$ 33,265	\$ 21,664
Deferred event revenue	53,658	97,100
Deferred dues revenue	119,278	145,561
Mortgage payable-current portion	16,675	15,864
Line of credit	74,923	70,226
Other liabilities	-	53
Total current liabilities	297,799	350,468
Long-Term Liabilities:		
Mortgage payable (net of current portion)	713,911	729,955
Total liabilities	1,011,710	1,080,423
Net Assets:		
Unrestricted	622,915	698,169
Temporarily restricted	180,881	188,733
Permanently restricted	25,000	-
Total net assets	828,796	886,902
Total liabilities and net assets	\$ 1,840,506	\$ 1,967,325

The accompanying notes to financial statements
are an integral part of these statements

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC. AND AFFILIATE
Milwaukee, Wisconsin

Consolidated Statements of Activities

Year Ended December 31, 2012

With Summarized Information for the Year Ended December 31, 2011

	<u>Unrestricted Net Assets</u>	<u>Temporarily Restricted Net Assets</u>	<u>Permanently Restricted Net Assets</u>	<u>Total</u>	<u>Prior Period Comparative</u>
Support and Revenue:					
Dues	\$ 162,493	\$ -	\$ -	\$ 162,493	\$ 130,567
Banquet - revenue	193,707	5,348	-	199,055	141,468
Banquet - expenses	(90,203)	-	-	(90,203)	(56,362)
Fiesta tailgate - revenue	73,022	-	-	73,022	67,135
Fiesta tailgate - expenses	(31,757)	-	-	(31,757)	(26,714)
Jalapeno golf - revenue	38,321	-	-	38,321	45,670
Jalapeno golf - expenses	(11,327)	-	-	(11,327)	(15,972)
Salute to Hispanic Women - revenue	31,027	-	-	31,027	27,660
Salute to Hispanic Women - expenses	(19,185)	-	-	(19,185)	(15,231)
Grants	60,000	-	-	60,000	138,082
Interest and dividend income	28	29	-	57	223
Gain (loss) on disposal of equipment	(3,974)	-	-	(3,974)	400
Rental income	45,330	-	-	45,330	29,835
Contributions	38,340	105,355	25,000	168,695	28,958
Business service fees	880	-	-	880	1,424
Business workshops	1,110	-	-	1,110	480
Membership meeting reimbursements	6,203	-	-	6,203	1,860
Legislative breakfast sponsor	-	-	-	-	2,500
Newsletter advertising	2,800	-	-	2,800	1,250
Miscellaneous	605	1,705	-	2,310	2,803
Total support and revenue	497,420	112,437	25,000	634,857	506,036
Net Assets Released from Restrictions:					
Satisfaction of program restrictions	120,289	(120,289)	-	-	-
	617,709	(7,852)	25,000	634,857	506,036
Expenses:					
Program services	444,782	-	-	444,782	371,868
Management and general	182,472	-	-	182,472	163,992
Fund-raising	65,709	-	-	65,709	54,551
Total expenses	692,963	-	-	692,963	590,411
Change in net assets	(75,254)	(7,852)	25,000	(58,106)	(84,375)
Net assets, beginning of year	698,169	188,733	-	886,902	971,277
Net assets, end of year	\$ 622,915	\$ 180,881	\$ 25,000	\$ 828,796	\$ 886,902

The accompanying notes to financial statements
are an integral part of these statements.

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC. AND AFFILIATE
Milwaukee, Wisconsin

Consolidated Statements of Cash Flows
Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (58,106)	\$ (84,375)
Adjustments to reconcile net assets to net cash provided by (used for) operating activities:		
Depreciation	63,183	64,898
Loss (gain) on disposal of equipment	3,974	(400)
Changes in assets and liabilities:		
Receivables	21,174	(12,679)
Promises to give	(12,500)	-
Prepaid expenses	(1,445)	3,944
Accounts payable	11,601	674
Amounts held for others	-	(7,814)
Deferred revenues	(69,725)	57,856
Other liabilities	(53)	53
Total adjustments	<u>16,209</u>	<u>106,532</u>
Net cash provided by (used for) operating activities	<u>(41,897)</u>	<u>22,157</u>
Cash Flows from Investing Activities:		
Proceeds from sale of equipment	-	400
Purchase of property and equipment	(22,376)	(8,819)
Sale of investments	-	5,334
Net cash used for investing activities	<u>(22,376)</u>	<u>(3,085)</u>
Cash Flows from Financing Activities:		
Proceeds from note payable/line-of-credit	74,923	20,873
Payments on note payable/line-of-credit	(85,459)	(13,386)
Net cash provided by (used for) financing activities	<u>(10,536)</u>	<u>7,487</u>
Net increase (decrease) in cash and equivalents	(74,809)	26,559
Cash and equivalents at beginning of year	<u>146,484</u>	<u>119,925</u>
Cash and equivalents at end of year	\$ <u><u>71,675</u></u>	\$ <u><u>146,484</u></u>
Interest paid	\$ <u><u>40,487</u></u>	\$ <u><u>45,755</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC. AND AFFILIATE
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2012 and 2011

1. Summary of Significant Accounting Policies

A. Principles of Consolidation

The consolidated financial statements include the accounts of Hispanic Chamber of Commerce of Wisconsin, Inc. (Chamber) and its financially interrelated not-for-profit organization, Hispanic Chamber of Commerce of Wisconsin Education Fund, Inc. (Education Fund). All significant intercompany accounts and transactions are eliminated in consolidation.

B. Nature of Activities

The purpose of the Hispanic Chamber of Commerce of Wisconsin, Inc. as stated in the bylaws, is to promote Hispanic economic development by assisting Hispanic businesses through business education, informational resources and networking. In addition to its general purpose, the Chamber controls and maintains a financial interest in the Hispanic Chamber of Commerce of Wisconsin Education Fund, Inc. as described below. The Chamber's and Education Fund's major sources of income are dues, special event revenues, and contributions.

C. Education Fund

As discussed above, the Education Fund satisfies the criteria for consolidation, and therefore these financial statements include the operations of the Chamber and Education Fund. The Hispanic Education Fund was established to provide educational assistance to Hispanic students. The monies received from donations to this fund are restricted to educational assistance.

D. Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis, whereby income is recognized when earned rather than when received and expenses are recognized when incurred rather than when actually paid.

E. 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Basis of Presentation

Under generally accepted accounting principles, the Chamber and Education Fund are required to report information regarding the financial position and activities according to three classes of net assets, defined as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Chamber or Education Fund and/or the passage of time

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Chamber or Education Fund

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC. AND AFFILIATE
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2012 and 2011
(Continued)

1. Summary of Significant Accounting Policies (Continued)

G. Membership Dues

Membership dues are recognized as revenues when earned. Deferred dues represent amounts billed in the current year, which will be earned in the subsequent year. Dues receivable represent dues billed for the subsequent year that have not been collected. Amounts determined to be uncollectible are insignificant, and are written off directly upon such determination.

H. Statement of Cash Flows

For purposes of the statements of cash flows, the Chamber and Education Fund consider cash and equivalents to include all demand deposits, savings, money market funds, and time deposits with an original maturity of three months or less. All such deposits are reported at cost which approximates fair value.

I. Property and Equipment

Property and equipment are recorded at cost, or if donated, recorded at the fair market value of the asset on the date of donation. The assets are depreciated on the straight-line method over the estimated useful life of the asset. The estimated useful lives are as follows:

Building	39 years
Furniture	7 years
Office equipment	7 years
Computer equipment	5 years

Capital leases are amortized over the life of the lease.

J. Income Taxes

The Chamber and the Education Fund are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, except for net income derived from unrelated business activities, and qualify for the charitable contribution deduction under Section 170(b)(A). Both the Chamber and the Education Fund have been classified as organizations that are not private foundations under 509(a)(2). The Chamber leases space in its building for purposes unrelated to its exempt purpose. Because the property is debt-financed, the income from this lease may be subject to income tax. In 2012 and 2011, the Chamber had no income tax expense from the leasing of this space.

The Chamber and Education Fund are no longer subject to U.S. federal income tax examinations for years ending before December 31, 2009 and Wisconsin income tax examinations for years ending before December 31, 2008.

K. Donated Services

A substantial number of unpaid volunteers have made significant contributions of their time in furtherance of the Chamber's programs. The value of this contributed time is not included in the accompanying statements of activities.

L. Deferred Event Revenue

This amount represents funds received during the current year for the subsequent year's various fund-raising activities.

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC. AND AFFILIATE
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2012 and 2011
(Continued)

1. Summary of Significant Accounting Policies (Continued)

M. Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

N. Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Chamber's financial statements for the year ended December 31, 2011, from which the summarized information was derived. Certain amounts in the prior year comparative information have been reclassified to conform to their current year presentation.

2. Net Assets

Temporarily restricted net asset balances at December 31, 2012 and 2011, consist of the following:

	<u>2012</u>	<u>2011</u>
Hispanic Education Fund	\$ 180,881	\$ 177,519
UPS Global Economic Literacy Center	-	11,214
Total	<u>\$ 180,881</u>	<u>\$ 188,733</u>

Permanently restricted net asset balances at December 31, 2012 and 2011, consist of the following:

	<u>2012</u>	<u>2011</u>
Minority Business Revolving Loan Fund	\$ 25,000	-

3. Leases

A. Capital Leases

The Chamber entered into a capital lease for a copier with a capitalized cost of \$11,412. In 2011, the copier was fully depreciated and was sold for \$400. Depreciation expense reported in the statements of activities includes \$0 related to the lease in 2012 and 2011.

Interest expense on capital leases was \$0 in 2012 and 2011.

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC. AND AFFILIATE
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2012 and 2011
(Continued)

3. Leases (Continued)

B. Operating Leases

The Chamber is currently leasing a postage meter which requires the Chamber to make quarterly payments of \$595 through the lease's expiration in September 2014. Future minimum lease payments are as follows:

2013	\$	2,381
2014		<u>1,786</u>
Total	\$	<u>4,167</u>

Rental expense related to this lease was \$2,539 and \$2,608 in 2012 and 2011, respectively.

The Chamber is currently leasing a copier which requires the Chamber to make monthly payments of \$186 through the lease's expiration in December 2014. Future minimum lease payments are as follows:

2013	\$	2,232
2014		<u>2,232</u>
Total	\$	<u>4,464</u>

Rental expense related to this lease was \$2,232 in 2012 and 2011.

4. Note Payable

The Chamber is currently carrying a mortgage note with a local financial institution. The note's terms call for equal principal and interest payments of \$4,400 and one final payment of the unpaid principal and accrued interest on December 1, 2014, at which time the note is anticipated to be refinanced. The note has a fixed interest rate of 5% and is secured by the property at 1021 West National Avenue. Future minimum principal payments are as follows:

2013	\$	16,675
2014		<u>713,911</u>
Total	\$	<u>730,586</u>

Interest expense on the note payable was \$37,561 and \$43,331 in 2012 and 2011, respectively.

5. Commitments

The grants received by the Chamber are subject to audit at the termination of the grant period. Generally, no provisions are recorded in the accounts for potential refunds to grantors that may result from audit adjustments as the amounts, if any, are not determinable until the audits are completed.

Each year, the Education Fund awards scholarships to deserving youths to apply toward tuition at an accredited Wisconsin university or college. Amounts to be paid over the next three years are approximately \$13,500, conditional upon the academic performance of the students.

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC. AND AFFILIATE

Milwaukee, Wisconsin

Notes to Financial Statements

December 31, 2012 and 2011

(Continued)

6. Retirement Plan

The Chamber participates in a defined contribution pension plan in which the Chamber contributes an amount equal to 4% of gross salary to the plan for each full-time employee. In 2012 and 2011, the Chamber contributed \$9,478 and \$10,576 respectively.

7. Concentration of Risk

Cash and equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Chamber and Education Fund have never experienced any losses related to these balances. All of the non-interest bearing cash balances were fully insured at December 31, 2012 and 2011 due to a temporary federal program in effect from December 31, 2010 through December 31, 2012. Under the program, there is no limit to the amount of insurance for eligible accounts. Beginning 2013, insurance coverage will revert to \$250,000 per depositor at each financial institution, and the non-interest bearing cash balances may again exceed federally insured limits. There are no interest-bearing amounts on deposit in excess of federally insured limits at December 31, 2012.

8. Related-Party Transactions

In 2012 and 2011, the Chamber incurred expenses of \$0 and \$1,085, respectively, which were paid directly or indirectly to companies owned or controlled by members who served on the Chamber's Board of Directors. Expenses were paid to Acevedo PC Services LLC and Sonag Company in 2011, companies operated by current board members.

9. Advertising Costs

The Chamber uses advertising to promote its programs and its members' businesses. Advertising costs are expensed as incurred. Advertising expense for 2012 and 2011 was \$217 and \$0, respectively.

10. Line of Credit

The Chamber has a \$75,000 line of credit with a Milwaukee area financial institution, which is secured by the Chamber's real estate. Outstanding balances accrue interest at an interest rate equal to the U.S. Prime Rate as published in the Wall Street Journal "Money Rates" section, but not less than 4%. As of December 31, 2012 and 2011, the Chamber had an outstanding balance of \$74,923 and \$70,226, respectively. The Chamber had interest expense on the line of credit of \$2,272 and \$2,060 in 2012 and 2011, respectively.

11. Subsequent Events

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (December 2, 2013). There were no subsequent events that required recognition or disclosure.

HISPANIC CHAMBER OF COMMERCE OF WISCONSIN, INC. AND AFFILIATE

Milwaukee, Wisconsin

Schedule of Functional Expenses

Year Ended December 31, 2012

With Comparative Totals for the Year Ended December 31, 2011

	Program Services	General and Administrative	Fund- Raising	Totals Year Ended December 31,	
				2012	2011
Salaries	\$ 142,387	\$ 71,193	\$ 23,731	\$ 237,311	\$ 261,531
Payroll taxes	10,300	5,150	1,717	17,167	18,784
Unemployment tax	439	220	73	732	677
Health insurance	11,426	5,713	1,905	19,044	20,842
Retirement contribution	5,687	2,843	948	9,478	10,576
Total salaries and related expenses	<u>170,239</u>	<u>85,119</u>	<u>28,374</u>	<u>283,732</u>	<u>312,410</u>
Telephone and internet	1,787	2,457	224	4,468	4,651
Office supplies	8,141	4,070	1,357	13,568	10,860
Copier expense	6,935	3,467	1,156	11,558	11,893
Printing	592	296	99	987	-
Postage	2,940	1,470	490	4,900	10,407
Equipment leases	57	29	9	95	453
Luncheons and banquets	341	171	57	569	723
Donations	-	-	-	-	1,450
Advertising	109	76	32	217	-
Professional services	114,936	32,839	16,419	164,194	15,301
Payroll expenses	728	364	122	1,214	1,360
Other fees and licenses	2,342	1,171	390	3,903	1,098
Dues and subscriptions	345	173	57	575	360
USHCC annual convention	1,285	642	214	2,141	2,839
Meetings	5,066	2,533	844	8,443	6,806
Bad debt expense	390	195	65	650	2,245
Miscellaneous operating expense	292	146	49	487	1,946
Total operating expenses	<u>146,286</u>	<u>50,099</u>	<u>21,584</u>	<u>217,969</u>	<u>72,392</u>
Waste disposal	1,007	504	168	1,679	1,374
Maintenance supplies	-	-	-	-	465
Utilities	19,982	9,991	3,331	33,304	27,961
Cleaning supplies	-	-	-	-	76
Other building and maintenance	2,722	1,361	453	4,536	10,467
Bank service charges	430	215	72	717	458
Credit card processing fees	2,350	1,175	391	3,916	2,783
Depreciation	37,910	18,955	6,318	63,183	64,898
General insurance	5,814	2,907	969	9,690	8,822
Interest expense	24,292	12,146	4,049	40,487	45,755
Total overhead expenses	<u>94,507</u>	<u>47,254</u>	<u>15,751</u>	<u>157,512</u>	<u>163,059</u>
Grant expense	-	-	-	-	10,000
Scholarships	33,750	-	-	33,750	32,550
Total expenses	<u>\$ 444,782</u>	<u>\$ 182,472</u>	<u>\$ 65,709</u>	<u>\$ 692,963</u>	<u>\$ 590,411</u>

See Independent Auditors' Report on Supplemental Information.