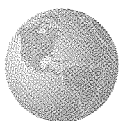


**CUBAN AMERICAN NATIONAL COUNCIL, INC.  
AND AFFILIATES  
(Nonprofit Organizations)**

**COMBINED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008 AND 2007**



**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES  
(Nonprofit Organizations)**

**COMBINED FINANCIAL STATEMENTS**

**DECEMBER 31, 2008 AND 2007**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Cuban American National Council, Inc. and Affiliates  
(Nonprofit Organizations)  
Miami, Florida

We have audited the accompanying combined statements of financial position of Cuban American National Council, Inc. (the "Council") and affiliates (nonprofit organizations) as of December 31, 2008 and 2007 and the related combined statements of activities and changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Cuban American National Council, Inc. and affiliates as of December 31, 2008 and 2007 and the changes in their net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 15 of the financial statements, Cuban American National Council, Inc. has a deficit in the unrestricted net assets fund balance as of December 31, 2008 and 2007.

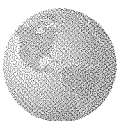
In accordance with *Government Auditing Standards*, we have also issued a report dated June 3, 2009, on our consideration of the Cuban American National Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the result of our audits.

To the Board of Directors of  
Cuban American National Council, Inc. and Affiliates  
(Nonprofit Organizations)  
Page 2

Our audit was conducted for the purpose of forming an opinion on the combined basic financial statements taken as a whole. The combining financial statements on pages 19 through 24 and combined schedules of functional expenses on pages 25 and 26 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

GLSC & Company, PLLC

June 3, 2009



**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organizations)**  
**COMBINED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31,**

	2008	2007
<b>ASSETS</b>		
Cash	\$ 230,944	\$ 211,288
Grants receivable	275,515	376,340
Accounts receivable - related parties	813,782	911,598
Other receivables	11,497	14,587
Prepaid expenses	69,239	70,969
Beneficial interest in assets held by Dade Community Foundation	184,256	260,333
Property and equipment, net	1,184,329	1,214,854
Deposits	20,949	25,499
<b>TOTAL ASSETS</b>	<b>\$ 2,790,511</b>	<b>\$ 3,085,468</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 371,722	\$ 343,683
Notes payable	518,142	632,935
Mortgage payable	898,274	917,183
<b>TOTAL LIABILITES</b>	<b>1,788,138</b>	<b>1,893,801</b>
<b>NET ASSETS</b>		
Unrestricted	617,783	582,826
Temporarily restricted	200,334	348,508
Permanently restricted	184,256	260,333
<b>TOTAL NET ASSETS</b>	<b>1,002,373</b>	<b>1,191,667</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,790,511</b>	<b>\$ 3,085,468</b>

The accompanying notes are an integral part of the combined financial statements.

**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organizations)**  
**COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>OPERATING REVENUES AND SUPPORT</b>				
Public Support:				
Grants revenue				
Federal Sources	\$ 1,047,964	\$ 2,291	\$ -	\$ 1,050,255
Local Government	2,092,092	2,852	-	2,094,944
Contributions	1,115,755	179,496	-	1,295,251
Revenues:				
Management and Accounting Fees	996,256	-	-	996,256
Interest and Miscellaneous	68,513	-	-	68,513
Realized/Unrealized loss from investments	-	-	(64,406)	(64,406)
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Satisfaction of program restrictions	<u>344,484</u>	<u>(332,813)</u>	<u>(11,671)</u>	<u>-</u>
<b>TOTAL OPERATING REVENUES (LOSSES) AND SUPPORT</b>	<u>5,665,064</u>	<u>(148,174)</u>	<u>(76,077)</u>	<u>5,440,813</u>
<b>OPERATING EXPENSES</b>				
Program Services:				
CNC Educational Institutes	1,397,562	-	-	1,397,562
Employment and Training	1,393,766	-	-	1,393,766
DIAL Day Care	505,701	-	-	505,701
Other Programs	<u>573,635</u>	<u>-</u>	<u>-</u>	<u>573,635</u>
Total program services	<u>3,870,664</u>	<u>-</u>	<u>-</u>	<u>3,870,664</u>
Supporting Services				
Fundraising	527,385	-	-	527,385
Management and Support	<u>225,208</u>	<u>-</u>	<u>-</u>	<u>225,208</u>
Total supporting services	<u>752,593</u>	<u>-</u>	<u>-</u>	<u>752,593</u>
Other Expenses				
Management Company	918,058	-	-	918,058
Rental Property	<u>88,792</u>	<u>-</u>	<u>-</u>	<u>88,792</u>
Total other expenses	<u>1,006,850</u>	<u>-</u>	<u>-</u>	<u>1,006,850</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>5,630,107</u>	<u>-</u>	<u>-</u>	<u>5,630,107</u>
<b>CHANGE IN NET ASSETS</b>	34,957	(148,174)	(76,077)	(189,294)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>582,826</u>	<u>348,508</u>	<u>260,333</u>	<u>1,191,667</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 617,783</u>	<u>\$ 200,334</u>	<u>\$ 184,256</u>	<u>\$ 1,002,373</u>

The accompanying notes are an integral part of the combined financial statements.

**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organizations)**  
**COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>OPERATING REVENUES AND SUPPORT</b>				
Public Support:				
Grants revenue				
Federal Sources	\$ 1,250,722	\$ -	\$ -	\$ 1,250,722
Local Government	2,512,710	-	-	2,512,710
Contributions	771,453	324,107	-	1,095,560
Revenues:				
Management and Accounting Fees	885,531	-	-	885,531
Interest and Miscellaneous	66,533	-	-	66,533
Realized/Unrealized gain from investments	8,753	-	12,932	21,685
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>				
Satisfaction of program restrictions	<u>253,016</u>	<u>(253,016)</u>	<u>-</u>	<u>-</u>
<b>TOTAL OPERATING REVENUES AND SUPPORT</b>	<u>5,748,718</u>	<u>71,091</u>	<u>12,932</u>	<u>5,832,741</u>
<b>OPERATING EXPENSES</b>				
Program Services:				
CNC Educational Institutes	1,963,925	-	-	1,963,925
Employment and Training	1,306,857	-	-	1,306,857
DIAL Day Care	611,329	-	-	611,329
Other Programs	<u>553,829</u>	<u>-</u>	<u>-</u>	<u>553,829</u>
Total program services	<u>4,435,940</u>	<u>-</u>	<u>-</u>	<u>4,435,940</u>
Supporting Services				
Fundraising	80,797	-	-	80,797
Management and Support	<u>177,927</u>	<u>-</u>	<u>-</u>	<u>177,927</u>
Total supporting services	<u>258,724</u>	<u>-</u>	<u>-</u>	<u>258,724</u>
Other Expenses				
Management Company	832,518	-	-	832,518
Rental Property	<u>94,516</u>	<u>-</u>	<u>-</u>	<u>94,516</u>
Total other expenses	<u>927,034</u>	<u>-</u>	<u>-</u>	<u>927,034</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>5,621,698</u>	<u>-</u>	<u>-</u>	<u>5,621,698</u>
<b>CHANGE IN NET ASSETS</b>	127,020	71,091	12,932	211,043
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>455,806</u>	<u>277,417</u>	<u>247,401</u>	<u>980,624</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 582,826</u>	<u>\$ 348,508</u>	<u>\$ 260,333</u>	<u>\$ 1,191,667</u>

The accompanying notes are an integral part of the combined financial statements.

**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organizations)**  
**COMBINED STATEMENTS OF CASH FLOWS**  
**DECEMBER 31,**

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (189,294)	\$ 211,043
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	32,513	40,125
Unrealized loss on investments	64,406	-
Decrease (Increase) in:		
Grants receivable	100,825	(174,444)
Accounts receivable - related parties	140,716	(244,988)
Other receivable	3,090	(7,869)
Prepaid expenses	1,730	(6,179)
Deposits	4,550	(4,591)
(Decrease) in:		
Accounts payable	(14,861)	(17,301)
Total adjustments	<u>332,969</u>	<u>(415,247)</u>
Net cash provided by (used in) operating activities:	<u>143,675</u>	<u>(204,204)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(1,988)	(7,708)
Transfer from (to) Endowment Fund	11,671	(12,932)
Net cash provided by (used in) investing activities	<u>9,683</u>	<u>(20,640)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from notes payable	200,000	200,000
Payments on notes payable	(314,793)	(88,897)
Payments on mortgage payable	(18,909)	(17,908)
Net cash (used in) provided by financing activities	<u>(133,702)</u>	<u>93,195</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	19,656	(131,649)
<b>CASH AT BEGINNING OF YEAR</b>	<u>211,288</u>	<u>342,937</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 230,944</u>	<u>\$ 211,288</u>
<b>SUPPLEMENTAL DATA</b>		
Interest paid	<u>\$ 95,836</u>	<u>\$ 107,757</u>

The accompanying notes are an integral part of the combined financial statements.



**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organizations)**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organizations**

Cuban American National Council, Inc. (the "Council") was established to identify the social, economic and educational needs of Cuban-Americans. Currently, the Council also assists other minorities and individuals in need from all racial and ethnic groups throughout the United States but primarily in South Florida. The Council initiates economic expansion through community development, and promotes special programs and events in the fields of leadership, development, drop-out prevention and multi-ethnic cooperation. The Council's funding comes primarily from federal, state and local grants and contributions from the private sector.

CNC Management, Inc. (the "CNC") is a nonprofit organization incorporated under the laws and statutes of the State of Florida on September 10, 1990 for the purpose of providing rental management and related services to lower income, senior citizens and handicapped housing projects in the South Florida area sponsored by its affiliate, CODEC, Inc. (a nonprofit organization).

CODEL, Inc. (the "CODEL") is a nonprofit organization incorporated under the laws and statutes of the State of Florida on September 13, 1999 for the purpose of acquiring real estate and development of housing for low income persons, the elderly and handicapped, health care facilities, social services, research, community development and related programs and activities.

**Principles of Combination**

The combined financial statements include the accounts of Cuban American National Council, Inc. and its affiliates, CNC Management, Inc. and Codel, Inc. (the "Affiliates"). Certain member of the Council's management and Board of Directors are represented on the Board of Directors of CNC and CODEL. All significant intercompany balances and transactions have been eliminated.

The combined financial statements do not include the financial statements of other nonprofit organizations which are related to the Council and Affiliates. Certain member of management and Board of Directors of the Council and Affiliates are represented on the Board of Directors of the following nonprofit organizations, Peninsula Housing Projects and CODEC, Inc. (See Note 9 Related Entities).

**Programs**

The Council provides many services to various groups of individuals. The services provided are:

- A. CNC EDUCATIONAL INSTITUTES The two institutes are alternative schools for students at risk. Funded by the School Board of Miami-Dade County and contributions from private corporations, they serve students who are potential high school dropouts and face educational difficulties in a traditional school setting.

In addition to offering students the state required academic curriculum, the two institutes promote active parental involvement and individualized instruction.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Programs** (Continued)

**Enrollment and Grade Configuration as of December 31, 2008**

<b><u>Schools' Name and Address</u></b>	<b><u>Grades</u></b>	<b><u>Enroll- ment</u></b>	<b><u>School Principal</u></b>
Little Havana Institute 300 SW 12 <sup>th</sup> Avenue, 3 <sup>rd</sup> Floor Miami, Florida	9 <sup>th</sup> , 10 <sup>th</sup> , 11 <sup>th</sup> and 12 <sup>th</sup>	154	Isabel Navas, MS
Hialeah Institute 1851 Palm Avenue Hialeah, Florida	9 <sup>th</sup> , 10 <sup>th</sup> , 11 <sup>th</sup> and 12 <sup>th</sup>	151	Roberto Lopez, BA

The Little Havana Institute and the Hialeah Institute operate under the Board of Directors of the Council. The following represents the Board members of the Council and of the schools as of December 31, 2008:

<b><u>Name</u></b>	<b><u>Title</u></b>	<b><u>Name</u></b>	<b><u>Title</u></b>
George W. Foyo	Chairman and Chair of Nominee and Strategic Committees	Juan A. Galan	Board Member
Guarione M. Diaz	President & CEO	Raquel C. Switzer	Chair of Development Committee and Board Member
Wifredo A. Ferrer	Secretary	Elva Collazo-Bodner	Board Member
Jorge Plasencia	Vice Chairman	Celia C. Suarez	Treasurer, Chair of Policy and Program Committee, and Board Member
Maria Acosta	Board Member	Rita Di Martino	Board Member
Lupita Colmenero	Board Member	Josie de Goytisoló	Board Member
Cesar A. Pizaro	Board Member	Antonio de Cardenas	Board Member
Jose Montero, Jr.	Board Member	Manny J. Rodriguez	Chair of Governance Committee and Board Member
Cesar Conde	Board Member	Fred M. Rawicz	Board Member
Carlos M. Trueba	Board Member and Chairman of the Finance Committee	Barbara Gutierrez	Board Member
Manuel Portuondo	Board Member	Emilio Gonzalez	Board Member

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Programs (Continued)

EMPLOYMENT AND TRAINING

- B. *EMPLOYMENT AND TRAINING* is funded by the U.S. Department of Labor through the South Florida Workforce Consortium, the Central Florida Workforce, and the U.S. Department of Health and Human Services. Through this program, the Council provides assistance and job training to economically disadvantaged refugees.
- C. *YOUTH PROGRAM* provides career development and academic support services for in and/or out school youth leading to higher levels of academic motivation and achievement, knowledge of career opportunities and prerequisites, improved basic and work readiness, and improved career prospect. These programs are funded by South Florida Workforce and The Children Trust.

DIAL DAY CARE

- D. *DIAL CHILD CARE CENTER* the Center for Development of Infants and Adolescents Latinas ("DIAL") mainly provides caring and development of infants and toddlers of teenage mothers who attend CNC's Little Havana Institute and others. While completing their secondary education, teen mothers are instructed on the "Development of Life Skills" of their infants, the fundamental role of parents in child development and the importance of family planning. Developing healthier infants and mothers, physically, intellectually and emotionally, with a high level of psychological functioning is the center's primary goal. The Miami-Dade County Child Development and Human Services Department, the State of Florida Food and Nutrition Departments, and charitable contributions from Adrienne Arsht fund the program. The Council also provides child care services to the general public.
- E. *PRE-KINDERGARTEN PROGRAM* provides a program of loving care and learning that will provide children with a healthy physical and emotional development, and prepares children to enter kindergarten successfully. This program is funded mainly by a grant from the Miami-Dade County – Voluntary Pre-Kindergarten Education Program and is included as part of the DIAL Day Care.

OTHER PROGRAMS

- F. *ECONOMIC INDEPENDENCE AND SELF-SUFFICIENCY PROJECT* sponsored by Freddie Mac, National Council of La Raza, corporate contributions, and private financial institution provides services to low/moderate income residents in Miami-Dade, Orlando, Florida and in New Jersey with bilingual, Spanish/English financial literacy training and an ongoing program of Financial Counseling and Case Management
- G. *THE FAMILY LITERACY PROGRAM* provided childcare services with professional staff and is designed to improve the knowledge and necessary skills of Hispanic families with children 0 to 5 years in our childcare center. The program is funded by The Children Trust.
- H. *CORPORATE PROGRAMS* are diverse programs funded by private corporations and foundations. They mainly aim at promoting education, work and community participation opportunities for Hispanics in the United States.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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, support and expenses during the period. Actual results could differ from those estimates.

### Donated Services

The Council follows SFAS No. 116, "Accounting for Contributions Received and Contributions Made". In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. In addition, the Council recognizes only those contributed services which are provided by individuals possessing "specialized skills".

### Promises to Give

Unconditional promises to give are recognized as revenues or gains 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.

### Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets 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 temporarily or permanently 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. Federal and State grant awards are classified as refundable advances until expended for the purposes of the grant since they are conditional promises to give. Unrestricted support increases unrestricted net assets.

Endowment contributions are permanently restricted by the donor. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

### Allowance for Doubtful Accounts

The Council and affiliates provides an allowance for uncollectible accounts based upon their prior experience and management's assessment of the collectibility of existing specific accounts. When accounts are determined to be uncollectible, they are charged to operations. There were no uncollectible accounts during the years ended December 31, 2008 and 2007.

### Statements of Cash Flows

For purposes of reporting cash flows, cash includes cash in bank.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment**

The Council and affiliates purchases of depreciable assets are recorded at cost. Assets purchased with funds with explicit restrictions regarding their use and restrictions on the disposition of those assets are reported as temporarily restricted support. The Council and affiliates reclassifies temporarily restricted net assets to unrestricted net assets by releasing the depreciation charged for those assets during the period. Normal repairs and maintenance are charged to expense as incurred. Depreciation is recorded as an expense of Unrestricted Net Assets and is computed on the straight-line method over a 2 - 5 year estimated useful life except for the building with 40 years estimated life. The Council and affiliates capitalize assets with a cost greater than \$500 and useful life greater than one year.

**Income Taxes**

The Council and affiliates are exempt from income taxes, under Section 501(c) 3 of the Internal Revenue Code of 1954 (as amended) under the classification of other than a private foundation; accordingly, the financial statements reflect no provision for income taxes.

**Indirect cost**

The Council uses a provisional indirect cost rate of 30.27% that was negotiated and approved by the U.S. Department of Labor, during the year ended December 31, 2006, or the amounts allowed per the specific grant agreements. The indirect cost rate is based on all direct salaries and fringe benefits charged to the programs, and are charged to those programs which allow indirect cost allocation.

2. **GRANTS RECEIVABLE**

The breakdown of the total grants receivable balance of the Council at December 31, 2008 and 2007 collectible within one year was as follows:

	<u>2008</u>	<u>2007</u>
South Florida Employment and Training Consortium	\$ 160,772	\$ 119,072
Miami-Dade County	-	166,948
U.S. Department of Education	2,057	2,057
School Board of Orange County	-	39,091
State of Florida, Department of Nutrition	18,237	9,656
The Children's Trust	12,209	37,145
Private Corporations	<u>82,240</u>	<u>2,371</u>
Total Grants Receivable	<u>\$ 275,515</u>	<u>\$ 376,340</u>

### 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31,:

	<u>2008</u>	<u>2007</u>
Land	\$ 601,230	\$ 601,230
Building	625,771	625,771
Furniture and fixtures	252,699	250,711
Equipment	489,270	489,270
Auto and passenger vans	<u>19,500</u>	<u>19,500</u>
	1,988,470	1,986,482
Less: accumulated depreciation	<u>(804,141)</u>	<u>(771,628)</u>
	<u>\$ 1,184,329</u>	<u>\$ 1,214,854</u>

The Council and affiliates cannot transfer, dispose or encumber any of the property and equipment purchased with Federal and local government funds without the approval of the sponsoring agency.

Depreciation expenses for the year ending December 31, 2008 and 2007 amounted to \$32,513 and \$40,125, respectively.

### 4. CONDITIONAL PROMISES TO GIVE

As of December 31, 2008, the Council had received approximately \$1,315,000 of conditional promises to give, which represents 24% of the total revenues. Conditional promises to give were received from South Florida Workforce Consortium, for approximately \$887,000, contingent upon providing counseling, job development and placement services to eligible participants, approximately \$24,000 from United Way of Miami-Dade County, and approximately \$158,000 from The Children's Trust Foundation.

As of December 31, 2007, the Council had received approximately \$1,784,000 of conditional promises to give, which represents 31% of the total revenues. Conditional promises to give were received from South Florida Workforce Consortium, for approximately \$1,076,000, contingent upon providing counseling, job development and placement services to eligible participants, approximately \$ 137,000 from the Orlando County Public School, and \$421,000 from The Children's Trust Foundation.

### 5. MORTGAGE PAYABLE

Mortgage payable to a financial institution in monthly installments of \$6,387, including principal and interest at 6.25% per annum until June 1, 2010. Beginning June 1, 2010 up to the maturity date on June 1, 2015, the outstanding principal balance of the mortgage will bear interest at a fixed annual rate equal to the greater of 6.25% per annum or 225 basis points above the rate of return or yield on United States Treasury Securities adjusted to a constant maturity of 5 years as announced by the Federal Reserve Board. The monthly payments shall be computed by fully amortizing the principal balance of the Note at the applicable interest rate over the term ending June 1, 2030. The mortgage payable is secured by land and building owned by CODEL. At December 31, 2008 and 2007, the outstanding balance of the mortgage payable was \$898,274 and \$917,183, respectively

**5. MORTGAGE PAYABLE (CONTINUED)**

Future maturities of the note payable at December 31, 2008 are as follows:

2009	\$ 20,310
2010	22,678
2011	24,137
2012	25,689
2013	27,117
Thereafter	<u>778,343</u>
	<u>\$ 898,274</u>

**6. NOTES PAYABLE**

Notes payable at December 31 comprised of the following:

	<u>2008</u>	<u>2007</u>
The Council entered into \$250,000 line of credit agreement with a local bank. The agreement requires monthly payments of interest only at a rate of 0.50% per annum over prime rate quoted from time to time in the Wall Street Journal, adjusted daily. The line of credit matures on February 20, 2011 and is secured by a blanket lien (UCC-1) and security interest on the Council's property and equipment.	\$ 250,000	\$ 250,000
Note payable with interest at a rate of 8.987%, payable in monthly installments of approximately \$447 including principal and interest. The note is collateralized by a cargo van purchased by the Council and matured on June 12, 2008.	-	3,035
Notes payable to a corporation in the amount of \$239,000 to finance the portion of the acquisition costs of the land and building of a property located in Hialeah, Florida, purchased by Codel, Inc. The note bears an interest rate of 7% payable in monthly installments of \$4,732 including principal and interest up to June 1, 2010.	80,642	129,900
CNC entered into \$ 100,000 line of credit agreements with a financial institution. The agreement requires monthly payments of interest only at a rate of 1.5% per annum over prime rate quoted from time to time in the Wall Street Journal, adjusted daily, calculated on the basis of a 360-day calendar year. The line of credit matures on November 11, 2011 and is secured by a blanket lien (UCC-1) and cross collateralized with commercial real estate owned by Codel.	100,000	100,000
CNC entered into a line of credit agreement with a local bank in the amount of \$150,000 with interest rate of 8.25% per annum. The agreement requires monthly payments of interest only up to its maturity on September 30, 2011. The line of credit is secured a blanket lien (UCC-1) and security interest on CNC's assets.	<u>87,500</u>	<u>150,000</u>
	<u>\$ 518,142</u>	<u>\$ 632,935</u>

**6. NOTES PAYABLE (CONTINUED)**

Future maturities of the note payable at December 31, 2008 are as follows:

2009	\$ 52,818
2010	27,824
2011	<u>437,500</u>
	<u>\$ 518,142</u>

**7. OPERATING LEASES**

The Council and affiliates leases office and school space under various leases in different locations. The majority of the space rental leases does not exceed the term of one (1) year and some could be canceled 30 days after the Council and affiliates has given written notification to the lessor. Under such leases, the Council and affiliates office and school space rental expense for the years ended December 31, 2008 and 2007 were approximately \$685,000 and \$535,000, respectively. In addition, the Council leases photocopiers under various operating leases. Rental expenses under such leases amounted to approximately \$29,000 and \$33,000, respectively.

The total minimum future commitments under such leases for year ended December 31, 2008 are as follows:

2009	\$388,619
2010	29,782

**8. CONTINGENCIES**

**Grants from the Government and Other Agencies**

The Council receives grants from the United States Department of Labor, U.S. Department of Education, U. S. Department of Health and Human Services through South Florida Workforce, the Miami-Dade County School Board, Miami-Dade County, United Way of Miami-Dade County, State of Florida Food Program, Orange County Public School and other organizations that require compliance with certain provisions stated in the grant agreement. Failure to comply with these provisions could result in the return of funds to grantors. Although this is a possibility, the management deems the contingency remote since, in their opinion; the Council has fully complied with the provisions of the grants.



**9. RELATED ENTITIES**

Codec, Inc. is a nonprofit community development corporation created to be engaged in housing and economic development activities. Funding comes primarily from Community Development Block Grants (CDBG). Since its inception, Codec has devoted a substantial amount of time and resources to the development of low income housing facilities for the elderly and handicapped persons (the "Peninsula Projects"). Funding for the construction of the Projects comes primarily from Housing and Urban Development (HUD) under Section 202 and 811 of the Housing Act. Each of the Projects is owned by an affiliated Peninsula Corporation.

The following is a summary of the assets, liabilities and net assets and activities of the CODEC, Inc. as of and for the year ended December 31, 2008:

(Unaudited) 12/31/08

Total assets	\$ 880,689
Total liabilities	474,402
Net assets	406,287
Total revenues	87,515
Total expenses	98,519

CNC manages lower income, senior citizen and handicapped rental housing projects sponsored and developed by CODEC, Inc. During the year, CNC managed the following projects owned by affiliated corporations ("Peninsula Projects").

Project Name	Affiliated Corporation
St. Agustin Villas	Peninsula Housing Development, Inc. II
Saga Bay Apartments	Peninsula Housing Development, Inc. III
Buena Vista Apartments	Peninsula Housing Development, Inc. IV
Park View Apartments	Peninsula Housing Development, Inc. V
Lake Shore Apartments	Saga Lake, Inc.
Golden Pond Apartments	Peninsula Housing Development, Inc. VI
Twin Lakes Apartments	Peninsula Housing Development, Inc. VII
Blue Lagoon Apartments	Peninsula Housing Development, Inc. VIII
Princeton Manor	Peninsula Housing Development, Inc. IX
Cutler Bay Apartments	Peninsula Housing Development, Inc. X
Sierra Lakes Apartments	Peninsula Housing Development, Inc. XI
Amarylis Pond	Peninsula Housing Development, Inc. XII
Hunter Riverwalk	Peninsula Housing Development, Inc. XIII
Victoria Gardens Residential Apts	Peninsula Housing Development, Inc. XIV
Vista Alegre Apartments	Peninsula Housing Development, Inc. XV
Royal Palms Apartments	Peninsula Housing Development, Inc. XVI
La Palma Apartments	Peninsula Housing Development, Inc. XVII

9. **RELATED ENTITIES (CONTINUED)**

Amounts earned during the year from the various affiliated corporations for services rendered were as follows:

	Management and Accounting Fees		Accounts Receivable	
	2008	2007	12/31/08	12/31/07
PHD, Inc. II	\$ 56,400	\$ 54,900	\$ 15,624	\$ 5,625
PHD, Inc. III	81,380	77,380	172,071	174,103
PHD, Inc. IV	54,895	53,395	19,197	22,821
PHD, Inc. V	39,425	38,925	122,550	83,717
PHD, Inc. VI	71,900	65,400	79,021	100,187
PHD, Inc. VII	68,400	65,900	7,648	2,403
PHD, Inc. VIII	77,890	66,390	18,545	14,244
PHD, Inc. X	68,900	56,900	905	6,462
PHD, Inc. XI	67,920	63,920	9,608	40,024
PHD, Inc. XII	74,900	74,400	34,759	74,197
PHD, Inc. XIII	94,400	91,400	537	50,248
PHD, Inc. XIV	82,900	77,900	1,461	23,621
PHD, Inc. XV	63,900	61,900	269	28,189
Saga Lake, Inc	39,821	36,821	73,859	84,026
PHD, Inc XVI	53,225	-	119,615	98,350
PHD, Inc XVII	-	-	2,855	-
Misc Receivable	-	-	252	1,375
Codec	-	-	135,006	102,006
<b>Total</b>	<b><u>\$ 996,256</u></b>	<b><u>\$ 885,531</u></b>	<b><u>\$ 813,782</u></b>	<b><u>\$ 911,598</u></b>

Management and accounting fees represent charges under the terms of the individual management agreements between the various Peninsula Projects and CNC which generally provides for management fees ranging from 5% to 15% of residential income collected, as well as accounting fees on a per unit basis. These fees are payable on a monthly basis. All the fees charged by CNC to the various Peninsula Projects are based on the amount determined by HUD in the Regulatory Agreement and cannot be changed without the proper approval of HUD.

CNC incurs certain expenses on behalf of the Peninsula Projects for which CNC is being reimbursed. The total amount reimbursed by the Peninsula Projects for personnel costs and insurance amounted to approximately \$1,711,700 and \$1,509,600 during the years ended December 31, 2008 and 2007, respectively.

CNC has outstanding commitment with each of the Peninsula Projects to provide management services to each of the projects. The agreements automatically renew annually unless either party elects not to renew within 60 days after end of the terms.

Due from Codec represents non-interest bearing advances, due on demand, used by Codec to cover the cost of the construction of Peninsula Housing Development, Inc. XVI (Royal Palm Apartments).

**10. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were comprised of property and equipment used in operations by the Council, temporarily restricted contributions to be used as part of various other programs operated by the Council.

Temporarily restricted net assets at December 31, consist of the following:

	<u>2008</u>	<u>2007</u>
Property and equipment	\$ 17,631	\$ 32,111
Contributions	<u>182,703</u>	<u>316,397</u>
Total	<u>\$ 200,334</u>	<u>\$ 348,508</u>

**11. PERMANENTLY RESTRICTED NET ASSETS**

Permanently restricted net assets amounted to \$184,256 and \$260,333 at December 31, 2008 and 2007, respectively, pertain to endowment funds restricted in perpetuity with Dade Community Foundation, Inc., to be used for Council's youth education and leadership programs and assistance to needy persons of Cuban descent.

On May 24, 2006, the initial agreement with Dade Community Foundation, Inc., (the "Foundation") dated October 6, 2005, was amended creating three (3) Designated Endowment Funds for the benefit of the Council for approximately \$215,200. The Foundation will hold, manage, invest and reinvest the funds and will distribute to the Council an amount based on the provisions stipulated by the donors as follows:

<u>Donor</u>	<u>Annual Distribution</u>
Juan and Martha Galan Charitable Fund	\$3,000 beginning fiscal year 2007 through 2011 \$4,000 beginning fiscal year 2012 and thereafter
Jorge and Karen Escalona Charitable Fund	\$1,000 beginning fiscal year 2007 and thereafter
Cintas Charitable Fund	An amount equal to 5% average balance of the Cintas Charitable Fund

**12. PARTICIPANTS' COST**

Participants' cost represents mainly the costs directly related to stipends, bus passes, job training allowance, participants' cost of various fund raising events and financial assistance expenditure under the Council's programs. At December 31, 2008 and 2007, participants' costs amounted to approximately \$101,000 and \$130,000, respectively.

**13. EMPLOYEE BENEFIT PLAN**

The Council and CNC adopted a 401(k) Plan covering substantially all employees who have completed three months of employment and at least 250 hours of service. Vesting increases at a rate of 20% per year after 3 years of service. The Plan is a defined contribution plan with all contribution amounts (if any) determined by management. The Council and affiliates contributed approximately \$14,500 and \$13,000 for the years ended December 31, 2008 and 2007, respectively, and is included as part of fringe benefits in the statement of functional expenses.

**14. CURRENT VULNERABILITY DUE TO CONCENTRATION**

For the year ended December 31, 2008, the Council received approximately 29% of its support from the Miami-Dade County School Board for the CNC Education Institute and 22% from the South Florida Workforce Investment Board. It is reasonably possible that in the near term these programs could cease, which could cause a severe impact on the Council and its ability to continue operations. The Council does not expect that the support from these governmental agencies will be lost in the near term.

**15. UNRESTRICTED NET ASSETS (DEFICIT)**

As of December 31, 2008 and 2007, the Council had a deficit in the unrestricted net assets fund balance of \$350,962 and \$159,333, respectively. The deficit is the result of expenses exceeding revenues and supports during the past four (4) years of operations. In addition, unrestricted expenses exceeded unrestricted revenues by approximately \$191,629 (including a settlement with Miami-Dade County School Board for approximately \$63,000) and \$64,057 during the years ended December 31, 2008 and 2007, respectively. The management of the Council plans to reduce the deficit during the year 2009 by reducing administrative and operating expenses by approximately \$263,000 and implemented the following policies. The President and Vice President of Finance agreed to a voluntary salary reduction of 20 %, the amount paid by the Council for health insurance benefit on behalf of the employee was reduced by 50%, the office of the Hialeah Refugee Program was closed, other leases related to space rental were terminated, and professional services considered not essential for the operations of the Council were also terminated. In addition, members of the board will increase fund raising activities by organizing various events in order to increase revenues during 2009. The management of the Council believes that these steps will be sufficient to reduce the deficit and allows the Council to continue servicing the community in the future.

**16. AUDITS PERFORMED BY OTHER ORGANIZATION**

During the year ended December 31, 2008, an audit was performed by the South Florida Workforce. As a result of the audit, there were various findings related to the documentation and accuracy of information on certain Refugee Employment Training Program client files, late payments to vendors, travel policies and procedures and documentation of certain personnel files. The Council provided the audit agency with corrective action plan addressing all the issued noted during the audit,

**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
 (Nonprofit Organizations)  
**COMBINING STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2008**

	Cuban American National Council, Inc.	CNC Management, Inc.	CODEL, Inc.	Elimination	Total
<b>ASSETS</b>					
Cash	\$ 88,431	\$ 142,513	\$ -		\$ 230,944
Grants receivable	275,515	-	-		275,515
Accounts receivable - related parties	-	835,782	57,200	(79,200)	813,782
Other receivables	11,497	-	-		11,497
Prepaid expenses	55,560	11,882	1,797		69,239
Beneficial interest in assets held by Dade Community Foundation	184,256	-	-		184,256
Property and equipment - net	17,631	-	1,166,698		1,184,329
Deposits	19,994	955	-		20,949
<b>TOTAL ASSETS</b>	<b>\$ 652,884</b>	<b>\$ 991,132</b>	<b>\$ 1,225,695</b>		<b>\$ 2,790,511</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 369,256	\$ 71,326	\$ 10,340	(79,200)	\$ 371,722
Notes payable	250,000	187,500	80,642		518,142
Mortgage payable	-	-	898,274		898,274
<b>TOTAL LIABILITIES</b>	<b>619,256</b>	<b>258,826</b>	<b>989,256</b>		<b>1,788,138</b>
<b>NET ASSETS (DEFICIT)</b>					
Unrestricted	(350,962)	732,306	236,439		617,783
Temporarily restricted	200,334	-	-		200,334
Permanently restricted	184,256	-	-		184,256
<b>TOTAL NET ASSETS</b>	<b>33,628</b>	<b>732,306</b>	<b>236,439</b>		<b>1,002,373</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 652,884</b>	<b>\$ 991,132</b>	<b>\$ 1,225,695</b>		<b>\$ 2,790,511</b>

**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
 (Nonprofit Organizations)  
**COMBINING STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2007**

	<u>Cuban American National Council, Inc.</u>	<u>CNC Management, Inc.</u>	<u>CODEL, Inc.</u>	<u>Elimination</u>	<u>Total</u>
<b>ASSETS</b>					
Cash	\$ 211,240	\$ 48	-		\$ 211,288
Grants receivable	376,340	-	-		376,340
Accounts receivable - related parties	-	933,598	42,900	(64,900)	911,598
Other receivables	14,587	-	-		14,587
Prepaid expenses	53,798	14,835	2,336		70,969
Beneficial interest in assets held by Dade Community Foundation	260,333	-	-		260,333
Property and equipment, net	32,111	-	1,182,743		1,214,854
Deposits	<u>24,544</u>	<u>955</u>	<u>-</u>		<u>25,499</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>972,953</u></b>	<b>\$ <u>949,436</u></b>	<b>\$ <u>1,227,979</u></b>		<b>\$ <u>3,085,468</u></b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	\$ 270,410	\$ 110,835	\$ 27,338	(64,900)	\$ 343,683
Notes payable	253,035	250,000	129,900		632,935
Mortgage payable	-	-	917,183		917,183
<b>TOTAL LIABILITIES</b>	<b><u>523,445</u></b>	<b><u>360,835</u></b>	<b><u>1,074,421</u></b>		<b><u>1,893,801</u></b>
<b>NET ASSETS (DEFICIT)</b>					
Unrestricted	(159,333)	588,601	153,558		582,826
Temporarily restricted	348,508	-	-		348,508
Permanently restricted	260,333	-	-		260,333
<b>TOTAL NET ASSETS</b>	<b><u>449,508</u></b>	<b><u>588,601</u></b>	<b><u>153,558</u></b>		<b><u>1,191,667</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>972,953</u></b>	<b>\$ <u>949,436</u></b>	<b>\$ <u>1,227,979</u></b>		<b>\$ <u>3,085,468</u></b>

**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organizations)**  
**COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	Unrestricted		Cuban American National Council, Inc.		Cuban American National Council, Inc.		Elimination	Total
	Cuban American National Council, Inc.	Management, Inc.	CODEL, Inc.	Total	Temporarily Restricted	Permanently Restricted		
<b>OPERATING REVENUES AND SUPPORT</b>								
Public Support:								
Grants revenue	\$ 1,047,964	\$ -	\$ -	\$ 1,047,964	\$ 2,291	\$ -		\$ 1,050,255
Federal Sources	2,092,092	-	-	2,092,092	2,852	-		2,094,944
Local Government	1,115,755	-	-	1,115,755	179,496	-		1,295,251
Contributions	-	-	-	-	-	-		
Revenues:								
Management and Accounting Fees	-	996,256	-	996,256	-	-	(171,600)	996,256
Rent	-	-	171,600	171,600	-	-		-
Interest and Miscellaneous	2,933	65,507	73	68,513	-	-		68,513
Realized/Unrealized loss from investments	-	-	-	-	-	(64,406)		(64,406)
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>								
Satisfaction of program restrictions	344,484	-	-	344,484	(332,813)	(11,671)		-
<b>TOTAL OPERATING REVENUES AND SUPPORT</b>	<u>4,603,228</u>	<u>1,061,763</u>	<u>171,673</u>	<u>5,836,664</u>	<u>(148,174)</u>	<u>(76,077)</u>		<u>5,440,813</u>
<b>OPERATING EXPENSES</b>								
Program Services:								
CNC Educational Institutes	1,569,162	-	-	1,569,162	-	-	(171,600)	1,397,562
Employment and Training	1,393,766	-	-	1,393,766	-	-		1,393,766
DIAL Day Care	505,701	-	-	505,701	-	-		505,701
Other Programs	573,635	-	-	573,635	-	-		573,635
Total program services	4,042,264	-	-	4,042,264	-	-		3,870,664
Supporting Services								
Fundraising	527,385	-	-	527,385	-	-		527,385
Management and Support	225,208	-	-	225,208	-	-		225,208
Total supporting services	752,593	-	-	752,593	-	-		752,593
Other Expenses								
Management Company	-	918,058	-	918,058	-	-		918,058
Rental Property	-	-	88,792	88,792	-	-		88,792
Total other expenses	-	918,058	88,792	1,006,850	-	-		1,006,850
<b>TOTAL OPERATING EXPENSES</b>	<u>4,794,857</u>	<u>918,058</u>	<u>88,792</u>	<u>5,801,707</u>	<u>-</u>	<u>-</u>		<u>5,630,107</u>
<b>CHANGE IN NET ASSETS</b>	(191,629)	143,705	82,881	34,957	(148,174)	(76,077)		(189,294)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	(159,333)	588,601	153,558	582,826	348,508	260,333		1,191,667
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ (350,962)</u>	<u>\$ 732,306</u>	<u>\$ 236,439</u>	<u>\$ 617,783</u>	<u>\$ 200,334</u>	<u>\$ 184,256</u>		<u>\$ 1,002,373</u>

**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organizations)**  
**COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	Unrestricted		Cuban American National Council, Inc.		Cuban American National Council, Inc.		Elimination	Total
	Cuban American National Council, Inc.	Management, Inc.	CODEL, Inc.	Total	Temporarily Restricted	Permanently Restricted		
<b>OPERATING REVENUES AND SUPPORT</b>								
Public Support:								
Grants revenue	\$ 1,250,722	\$ -	\$ -	\$ 1,250,722	\$ -	\$ -	\$ -	\$ 1,250,722
Federal Sources	2,512,710	-	-	2,512,710	-	-	-	2,512,710
Local Government	771,453	-	-	771,453	324,107	-	-	1,095,560
Contributions	-	-	-	-	-	-	-	-
Revenues:								
Management and Accounting Fees	-	885,531	-	885,531	-	-	(171,600)	885,531
Rent	-	-	171,600	171,600	-	-	-	-
Interest and Miscellaneous	5,553	60,955	25	66,533	-	-	-	66,533
Realized/Unrealized gain from investments	8,753	-	-	8,753	-	12,932	-	21,685
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>								
Satisfaction of program restrictions	253,016	-	-	253,016	(253,016)	-	-	-
<b>TOTAL OPERATING REVENUES AND SUPPORT</b>	<b>4,802,207</b>	<b>946,486</b>	<b>171,625</b>	<b>5,920,318</b>	<b>71,091</b>	<b>12,932</b>		<b>5,832,741</b>
<b>OPERATING EXPENSES</b>								
Program Services:								
CNC Educational Institutes	2,135,525	-	-	2,135,525	-	-	(171,600)	1,963,925
Employment and Training	1,306,857	-	-	1,306,857	-	-	-	1,306,857
DIAL Day Care	611,329	-	-	611,329	-	-	-	611,329
Other Programs	553,829	-	-	553,829	-	-	-	553,829
Total program services	4,607,540	-	-	4,607,540	-	-	-	4,435,940
Supporting Services								
Fundraising	80,797	-	-	80,797	-	-	-	80,797
Management and Support	177,927	-	-	177,927	-	-	-	177,927
Total supporting services	258,724	-	-	258,724	-	-	-	258,724
Other Expenses								
Management Company	-	832,518	-	832,518	-	-	-	832,518
Rental Property	-	-	94,516	94,516	-	-	-	94,516
Total other expenses	-	832,518	94,516	927,034	-	-	-	927,034
<b>TOTAL OPERATING EXPENSES</b>	<b>4,866,264</b>	<b>832,518</b>	<b>94,516</b>	<b>5,793,298</b>	<b>-</b>	<b>-</b>		<b>5,621,698</b>
<b>CHANGE IN NET ASSETS</b>	<b>(64,057)</b>	<b>113,968</b>	<b>77,109</b>	<b>127,020</b>	<b>71,091</b>	<b>12,932</b>		<b>211,043</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>(95,276)</b>	<b>474,633</b>	<b>76,449</b>	<b>455,806</b>	<b>277,417</b>	<b>247,401</b>		<b>980,624</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>(159,333)</b>	<b>588,601</b>	<b>153,558</b>	<b>582,826</b>	<b>348,508</b>	<b>260,333</b>		<b>1,191,667</b>



**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organizations)**  
**COMBINING STATEMENTS OF CASH FLOWS**  
**DECEMBER 31, 2008**

	<u>Cuban American National Council, Inc.</u>	<u>CNC Management, Inc.</u>	<u>CODEL, Inc.</u>	<u>Elimination</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in net assets	\$ (415,880)	\$ 143,705	\$ 82,881		\$ (189,294)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:					
Depreciation	16,468	-	16,045		32,513
Unrealized loss on investments	64,406	-	-		64,406
Decrease (Increase) in:					
Grants receivable	100,825	-	-		100,825
Accounts receivable - related parties	-	97,816	(14,300)	57,200	140,716
Other receivable	3,090	-	-		3,090
Prepaid expenses	(1,762)	2,953	539		1,730
Deposits	4,550	-	-		4,550
Increase (Decrease) in:					
Accounts payable	98,846	(39,509)	(16,998)	(57,200)	(14,861)
Total adjustments	<u>286,423</u>	<u>61,260</u>	<u>(14,714)</u>		<u>332,969</u>
Net cash provided by (used in) operating activities:	<u>(129,457)</u>	<u>204,965</u>	<u>68,167</u>		<u>143,675</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property and equipment	(1,988)	-	-		(1,988)
Transfer from Endowment Fund	11,671	-	-		11,671
Net cash provided by investing activities	<u>9,683</u>	<u>-</u>	<u>-</u>		<u>9,683</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from notes payable	50,000	150,000	-		200,000
Payments on notes payable	(53,035)	(212,500)	(49,258)		(314,793)
Payments on mortgage payable	-	-	(18,909)		(18,909)
Net cash (used in) financing activities	<u>(3,035)</u>	<u>(62,500)</u>	<u>(68,167)</u>		<u>(133,702)</u>
<b>NET (DECREASE) INCREASE IN CASH</b>	(122,809)	142,465	-		19,656
<b>CASH AT BEGINNING OF YEAR</b>	<u>211,240</u>	<u>48</u>	<u>-</u>		<u>211,288</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 88,431</u>	<u>\$ 142,513</u>	<u>\$ -</u>		<u>\$ 230,944</u>
<b>SUPPLEMENTAL DATA</b>					
Interest paid	<u>16,800</u>	<u>13,735</u>	<u>65,300</u>		<u>95,835</u>

**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organization)**  
**Combined Schedule of Functional Expenses**  
**For the Year Ended December 31, 2008**

	CNC EDUCATIONAL INSTITUTES	EMPLOYMENT & TRAINING	DIAL DAYCARE	OTHER PROGRAMS	TOTAL PROGRAM EXPENSES	FUNDRAISING	MANAGEMENT & SUPPORT	MANAGEMENT COMPANY	RENTAL PROPERTY	TOTAL
<b>DIRECT COST:</b>										
Salaries	\$ 705,439	\$ 931,154	\$ 210,955	\$ 234,178	\$ 2,081,726	\$ 63,436	\$ 352,118	\$ 581,420	\$ -	\$ 3,078,700
Fringe Benefits	122,978	164,902	53,834	36,519	378,233	10,022	59,419	137,149	-	584,823
Participant Costs	19,704	44,501	32,151	3,733	100,089	-	18	-	-	100,107
Cost of events	-	-	-	-	177,967	-	-	-	-	177,967
Equipment Rental	5,267	3,948	567	6,073	15,855	3,661	3,008	6,474	-	28,998
Space Rental	203,950	89,868	69,925	27,069	390,812	3,481	81,278	37,512	-	513,083
Supplies	20,606	17,930	15,166	3,351	57,053	5,173	14,296	10,957	-	87,479
Postage	1,534	212	278	1,739	3,763	6,178	4,034	-	-	13,975
Utilities	71,129	33,252	14,538	7,644	126,563	4,145	30,363	23,035	-	184,106
Insurance	27,130	7,564	6,345	1,586	42,625	105	7,166	33,472	4,852	88,220
Transportation	2,588	18,201	455	990	22,234	2,294	9,333	-	-	33,861
Printing	311	890	-	494	1,695	26,392	1,460	-	-	29,547
Professional Services	29,425	27,977	2,395	6,255	66,052	90,360	80,053	28,284	2,500	267,249
Other Services	36,131	19,849	9,789	9,638	77,607	1,402	9,411	-	-	88,420
Travel and Lodge	2,064	-	-	28,144	30,208	45,150	12,074	-	-	87,432
Memberships	-	-	-	-	-	-	-	2,565	-	2,565
Subscriptions	-	322	330	115	767	-	9,659	-	-	10,426
Meeting and Seminars	347	0	21	3,243	3,611	2,453	565	13,906	-	20,535
Advertising and Promotions	689	800	1,209	2,705	5,403	84	5,070	-	-	10,557
Maintenance	30,814	7,736	4,258	1,258	44,066	-	3,526	-	-	47,592
Licenses and Taxes	70	458	691	175	1,394	-	907	401	61	2,763
Interest Expenses	-	1	-	-	1	11	16,787	13,734	65,300	95,833
Miscellaneous	385	-	15	36	436	615	13,122	29,149	34	43,356
Total Direct Cost	1,282,561	1,368,555	422,922	375,155	3,450,193	442,929	713,667	918,058	-	5,587,594
Management and Support	114,802	22,297	79,848	198,480	415,427	84,456	(499,883)	-	-	-
Expenses before depreciation and amortization	1,397,363	1,391,852	502,770	573,635	3,865,620	527,385	213,784	918,058	72,747	5,597,594
Depreciation and amortization	199	1,914	2,931	-	5,044	-	11,424	-	16,045	32,513
<b>TOTAL EXPENSES</b>	<b>\$ 1,397,562</b>	<b>\$ 1,393,766</b>	<b>\$ 505,701</b>	<b>\$ 573,635</b>	<b>\$ 3,870,664</b>	<b>\$ 527,385</b>	<b>\$ 225,208</b>	<b>\$ 918,058</b>	<b>\$ 88,792</b>	<b>\$ 5,630,107</b>

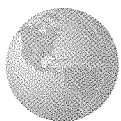
**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
**(Nonprofit Organizations)**  
**COMBINING STATEMENTS OF CASH FLOWS**  
**DECEMBER 31, 2007**

	<u>Cuban American National Council, Inc.</u>	<u>CNC Management, Inc.</u>	<u>CODEL, Inc.</u>	<u>Elimination</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Change in net assets	\$ 19,966	\$ 113,968	\$ 77,109		\$ 211,043
Adjustments to reconcile change in net assets to net cash (used in) operating activities:					
Depreciation	24,080	-	16,045		40,125
(Increase) Decrease in:					
Grants receivable	(174,444)	-	-		(174,444)
Accounts receivable - related parties	-	(244,988)	(42,900)	42,900	(244,988)
Other receivable	(7,869)	-	-		(7,869)
Prepaid expenses	(5,645)	(581)	47		(6,179)
Deposits	(4,591)	-	-		(4,591)
Increase in:					
Accounts payable	1,603	19,827	4,169	(42,900)	(17,301)
Total adjustments	(166,866)	(225,742)	(22,639)		(415,247)
Net cash (used in) provided by operating activities:	(146,900)	(111,774)	54,470		(204,204)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property and equipment	(7,708)	-	-		(7,708)
Transfer to Endowment Fund	(12,932)	-	-		(12,932)
Net cash (used in) investing activities	(20,640)	-	-		(20,640)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from notes payable	50,000	150,000	-		200,000
Payments on notes payable	(4,461)	(38,500)	(45,936)		(88,897)
Payments on mortgage payable	-	-	(17,908)		(17,908)
Net cash provided by (used in) financing activities	45,539	111,500	(63,844)		93,195
<b>NET (DECREASE) IN CASH</b>	(122,001)	(274)	(9,374)		(131,649)
<b>CASH AT BEGINNING OF YEAR</b>	333,241	322	9,374		342,937
<b>CASH AT END OF YEAR</b>	<u>\$ 211,240</u>	<u>\$ 48</u>	<u>\$ -</u>		<u>\$ 211,288</u>
<b>SUPPLEMENTAL DATA</b>					
Interest paid	<u>\$ 23,334</u>	<u>\$ 14,634</u>	<u>\$ 69,789</u>		<u>\$ 107,757</u>



**CUBAN AMERICAN NATIONAL COUNCIL, INC.**  
**(a nonprofit organization)**

**REPORTS REQUIRED UNDER  
GOVERNMENT AUDITING STANDARDS  
AND THE SINGLE AUDIT ACT  
FOR THE YEAR ENDED DECEMBER 31, 2008**



**GLSC & COMPANY, PLLC**  
*certified public accountants*

**CUBAN AMERICAN NATIONAL COUNCIL, INC.**  
**(a nonprofit organization)**

**REPORTS REQUIRED UNDER GOVERNMENT AUDITING STANDARDS  
AND THE SINGLE AUDIT ACT  
FOR THE YEAR ENDED DECEMBER 31, 2008**

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**GLSC & COMPANY, PLLC**  
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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Cuban American National Council, Inc.  
(a nonprofit organization)  
Miami, Florida

We have audited the financial statements of Cuban American National Council, Inc. (a nonprofit organization) (the "Council") as of and for the year ended December 31, 2008, and have issued our report thereon dated June 3, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Council's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Board of Directors of  
Cuban American National Council, Inc.  
(a nonprofit organization)

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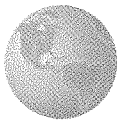
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, others within the Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

June 3, 2009







**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors of  
Cuban American National Council, Inc.  
(a nonprofit organization)  
Miami, Florida

Compliance

We have audited the compliance of Cuban American National Council, Inc. (a nonprofit organization) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. Cuban American National Council, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Cuban American National Council, Inc.'s management. Our responsibility is to express an opinion on Cuban American National Council, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cuban American National Council, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Cuban American National Council, Inc.'s compliance with those requirements.

In our opinion, Cuban American National Council, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

To the Board of Directors of  
Cuban American National Council, Inc.  
(a nonprofit organization)

Page 2

### Internal Control Over Compliance

The management of Cuban American National Council, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Cuban American National Council, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

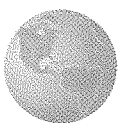
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We have audited the financial statements of Cuban American National Council, Inc. and Affiliates as of and for the year ended December 31, 2008 and have issued our report thereon dated June 3, 2009. Our audit was made for the purpose of forming an opinion on the financial statements of Cuban American National Council, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards on page 5 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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.

This report is intended solely for the information and use of the Board of Directors, management, others within the Council and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

GLSC & Company, PLLC

June 3, 2009



**CUBAN AMERICAN NATIONAL COUNCIL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

<u>Federal Grantor/Pass-Through Grantor/Grant Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<b>U.S Department of Agriculture</b>			
Pass-Through Florida Department of Health			
Child and Adult Care Food Program	10.558	FY2008-2009	\$ <u>24,223</u>
<b>U.S Department of Labor</b>			
Pass-Through the South Florida Employment and Training Consortium			
Workforce Investment Act of 1998 - Youth Services	17.259	WS-YS-OSY-PY'07-03-00	17,338
Workforce Investment Act of 1998 - Youth Services	17.259	WS-YS-OSY-PY'08-03-01	11,426
Workforce Investment Act of 1998 - Youth Services	17.259	WS-YS-ISY-PY'07-02-00	101,199
Workforce Investment Act of 1998 - Youth Services	17.259	WS-YS-ISY-PY'08-02-02-00	<u>74,554</u>
<b>Total U.S. Department of Labor</b>			<u>204,517</u>
<b>U.S Department of Health and Human Services</b>			
Pass-Through the South Florida Employment and Training Consortium			
Temporary Assistance to Needy Family	93.558	WS-YS-OSY-PY'07-03-00	\$ 8,391
Temporary Assistance to Needy Family	93.558	WS-YS-OSY-PY'08-03-01	4,535
Temporary Assistance to Needy Family	93.558	WS-YS-ISY-PY'07-02-00	55,868
Temporary Assistance to Needy Family	93.558	WS-YS-ISY-PY'08-02-02-00	<u>24,766</u>
			<u>93,560</u>
Refugee and Entrant Assistance	93.584	RET- PY08-03-00	179,747
Refugee and Entrant Assistance	93.584	RET-PY07-03-00	675,781
Refugee and Entrant Assistance	93.584	RET-PY06-03-00	<u>6,845</u>
			<u>862,373</u>
<b>Total U.S. Department of Health &amp; Human Services</b>			<u>955,933</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 1,184,673</u>

**CUBAN AMERICAN NATIONAL COUNCIL, INC.**  
(a nonprofit organization)  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2008**

**1. GENERAL**

The Schedule of Expenditures of Federal Awards included herein represents all of the Federal grant awards of Cuban American National Council, Inc. over which Cuban American National Council, Inc. exercised direct operating control for the year ended December 31, 2008.

**2. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting and includes expenses incurred by Cuban American National Council, Inc. during its fiscal year January 1, 2008 to December 31, 2008.

Substantially, all federal awards administered by Cuban American National Council, Inc. are operated on a reimbursement basis. Advances to grant programs are made from unrestricted cash balances included with Cuban American National Council, Inc.'s pooled cash account.

**3. SCOPE OF AUDIT PURSUANT TO OMB CIRCULAR A-133**

All Federal grant operations of the Council are included in the scope of the Office of Management and Budget (OMB) Circular A-133 audit (the Single Audit). The Single Audit was performed in accordance with the provisions of the OMB *Circular A-133 Compliance Supplement (Revised May 2007, the Compliance Supplement)*. Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the grant programs noted below. These programs represent all Federal award programs and other grants with 2008 cash and noncash expenditures in excess of \$500,000 that ensure coverage of at least 25 percent of Federally granted funds (as a low risk auditee). Actual coverage is approximately 90% of total cash and noncash Federal award program expenses.

<u>Major Federal Award Program Description</u>	<u>CFDA No.</u>	<u>Expenditures</u>
Refugee Entrant Assistance	93.584	\$862,373
WIA – Youth Services	17.259	204,517

**4. AUDITS PERFORMED BY OTHER ORGANIZATIONS**

On March 30, 2009, the Council received a final monitoring report from the South Florida Workforce Investment Board, (the "SFWIB"), a pass-through entity of the U.S. Department of Health and Human Services and U.S. Department of Labor for the Refugee Entrant Assistance Program (RETP) and WIA – Youth Services, respectively. The report has findings related to documentation and accuracy of information on certain RETP client files, late payments to vendors, travel policies and procedures and documentation of certain personnel files. None of the findings were considered significant. On April 17, 2009, the Council submitted to SFWIB its responses and action plans to address these findings.

**CUBAN AMERICAN NATIONAL COUNCIL, INC.**  
(a nonprofit organization)  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2008**

**I. SUMMARY OF AUDITORS' RESULTS**

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	No
Non-compliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	No
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No

Identification of major programs:

Program	<u>CFDA #</u>
Refugee Entrant Assistance	93.584
WIA – Youth Services	17.259

Dollar threshold used to distinguish between Type A and Type B Programs:	\$300,000
Auditee qualified as low risk auditee?	Yes

**CUBAN AMERICAN NATIONAL COUNCIL, INC. AND AFFILIATES**  
 (Nonprofit Organization)  
**Combined Schedule of Functional Expenses**  
**For the Year Ended December 31, 2007**

	CNC EDUCATIONAL INSTITUTES	EMPLOYMENT & TRAINING	DIAL DAYCARE	OTHER PROGRAMS	TOTAL PROGRAM EXPENSES	FUNDRAISING	MANAGEMENT & SUPPORT	MANAGEMENT COMPANY	RENTAL PROPERTY	TOTAL
<b>DIRECT COST:</b>										
Salaries	\$ 729,007	\$ 736,938	\$ 253,195	\$ 197,783	\$ 1,916,923	\$ 90,118	\$ 303,400	\$ 547,711	\$ -	\$ 2,858,152
Fringe Benefits	343,448	266,555	112,764	58,350	781,117	20,875	90,784	131,294	-	1,024,070
Participant Costs	23,621	57,883	42,962	5,438	129,904	-	345	-	-	130,249
Cost of events	-	-	-	-	-	27,466	-	-	-	27,466
Equipment Rental	8,572	3,871	706	6,635	19,784	3,587	2,569	7,185	-	33,125
Space Rental	217,726	81,853	92,178	26,644	418,401	8,889	71,130	36,509	-	534,929
Supplies	28,745	22,951	18,142	5,637	75,475	2,617	11,235	5,525	-	94,852
Postage	2,387	1,368	284	5,373	9,412	4,172	4,513	2,796	-	20,893
Utilities	82,914	31,026	20,534	9,475	143,949	4,226	32,537	21,544	-	202,256
Insurance	19,661	10,499	9,523	961	40,644	763	5,368	26,309	5,652	78,736
Transportation	4,361	22,126	513	1,635	28,655	749	8,580	8,640	-	46,624
Printing	1,053	869	108	25,749	27,779	10,907	5,174	-	-	43,860
Professional Services	37,204	23,216	4,840	3,333	68,593	1,275	47,006	11,604	2,945	131,423
Other Services	52,018	25,962	10,092	6,191	94,263	2,027	9,399	-	-	105,669
Travel and Lodge	4,308	-	-	7,849	12,157	13,474	17,022	-	-	42,653
Memberships	-	-	-	-	-	-	-	1,995	-	1,995
Subscriptions	-	236	180	-	416	7	3,821	-	-	4,244
Meeting and Seminars	534	-	50	3,707	4,291	806	1,352	4,808	-	11,357
Advertising and Promotions	499	2,169	424	191	3,283	-	1,233	-	-	4,516
Maintenance	32,207	9,766	2,655	2,651	47,279	234	3,620	2,220	-	53,353
Licenses and Taxes	585	928	1,093	468	3,074	12	1,013	424	70	4,593
Interest Expenses	2	-	-	863	865	-	22,469	14,634	69,789	107,757
Miscellaneous	129	-	125	1,509	1,763	337	7,446	9,220	15	18,781
Total Direct Cost:	1,589,001	1,298,216	570,368	370,442	3,828,027	192,541	650,016	832,518	78,471	5,581,573
Management and Support	374,707	7,505	37,075	183,387	602,674	(112,080)	(490,584)	-	-	-
Expenses before depreciation and amortization	1,963,708	1,305,721	607,443	553,829	4,430,701	80,461	159,422	832,518	78,471	5,581,573
Depreciation and amortization	217	1,136	3,886	-	5,239	336	18,505	-	16,045	40,125
<b>TOTAL EXPENSES</b>	<b>\$ 1,963,925</b>	<b>\$ 1,306,857</b>	<b>\$ 611,329</b>	<b>\$ 553,829</b>	<b>\$ 4,435,940</b>	<b>\$ 80,797</b>	<b>\$ 177,927</b>	<b>\$ 832,518</b>	<b>\$ 94,516</b>	<b>\$ 5,621,698</b>

**CUBAN AMERICAN NATIONAL COUNCIL, INC.**  
**(a nonprofit organization)**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2008**  
**(CONTINUED)**

**II CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

**A. FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**C. OTHER FINDINGS - CURRENT YEAR**

None

**III STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

**A. FINDINGS - FINANCIAL STATEMENTS AUDIT**

N/A – No findings on financial statements audit noted in prior year

**B. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

N/A – No findings and questioned costs on major federal award programs audit noted in prior year