ANNUAL MEETING

DECEMBER 7, 1988

5:30-6:30 buffet dinner - agency staff will be invited

6:30-7:15 "old" Board meeting - agenda:
1- approval of previous meeting's minutes
2- President's report- deJesus
3- Treasurer's report- Tregar
4- Elections- 1st VP, Treasurer
5- Old Business

7:20-9:00 "new" Board meeting - agenda:
1- introduction of new members
2- agency program presentation
3- President's annual report- deJesus
4- Executive Director's annual report- Prado
5- Elections- 2nd VP, Asst. Treasurer, Clerk
6- Reports from Board committees
7- New Business
8- Announcements and Oversights

REMINDER: ALL BOARD COMMITTEES SHOULD HAVE MET PRIOR TO THE ANNUAL MEETING TO ELECT CHAIRPERSON AND DEVELOP WRITTEN DESCRIPTION OF COMMITTEE TASKS AND AREAS OF RESPONSIBILITY.

LOOKING AHEAD:

JANUARY MEETING SCHEDULED FOR WEDNESDAY, JANUARY 4TH. IS THIS TOO EARLY?

Board committees will be able to meet from 6:30 to 7:30
Agenda for regular meeting will include a visit from the agency's auditors.
TO: Adult Education Staff and Board of Directors
FROM: Luis Prado
DATE: December 9, 1988
RE: Calendar Year 1989 Contracts

On December 7, 1988 I received a letter sent by Neil H. Gordon to Federico Borges regarding his concerns that due to "the fact that the legislature had failed to act on the issue", and that the "Governor and the Department of Education had provided no assurance that funds will be available" without further action from the state, the City of Boston will not be able to honor its Adult Basic Education contracts as of January 1, 1989.

As soon as this letter got to me, I called the Governor's Office. I explained to Jose Masso the situation and he informed me that he would deal with this as one of his priorities. That night I reported to the Board of Directors what information was available and that I was expecting a response from the Governor's office.

The Board of Directors expressed interest in being involved in the strategy I had outlined for them, mainly talking to the Governor and calling Legislators.

On Thursday, December 8th, I got a phone call from the Governor's Office. I was informed that there was a commitment to these programs and assured that funding will be there. I was also informed that my request for a meeting with the Governor in December was considered a good idea and that it could be scheduled to happen as soon as the Governor comes back from his vacation.

On Friday, December 9th I received a note from the Adult Education staff at Alianza informing us of a lobbying plan they had already developed. The plan includes contacting State Legislators and some other activities.

I welcome this initiative while at the same time feel the need to underline the fact that in order to be effective we have to sound like one voice, we have to act as a single entity and we have to avoid scattered efforts. We should improve our communications, I will do every effort to keep you informed of developments on this issue and others that certainly will emerge.
if the state deficit situation continues eroding. I expect to be informed before-hand of any action the staff wants to take on behalf of our programs.

On December 12th I will be meeting with State Representative Nelson Merced and on December 16th with Jose Masso from the Governor's Office. I am inviting them to come to La Alianza and talk to us and our clients. Meanwhile I welcome your plan to call legislators and encourage clients to do so.
LA ALIANZA HISPANA, INC.
409 Dudley Street
Roxbury, MA 02119
(617) 427-7175, 7176, 7177

BOARD OF DIRECTORS

ANNUAL MEETING

DECEMBER 7, 1988

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United Way of Massachusetts Bay

Equal Employment Opportunity Employer
La Alianza Hispana Inc.
Executive Director's Annual Report
December 7, 1988

Submitted by: Luis Prado

General Administration:

We complete today another year of operations at La Alianza Hispana. Since 1969, La Alianza has been developing effective programs for Hispanics and local residents adjusting to the requirements of life in a changing neighborhood, in a changing city.

Our aim is to improve the quality of life and functioning of our community and our people.

With the efforts of our staff and board of directors, we have grown in size, budget and quality of services to the point of being considered the largest Hispanic community service-provider in the state of Massachusetts.

I am pleased to report that despite the external and internal barriers to our efforts, we achieved in 1988 all of our goals as stated in my December 1987 report, Progress Report (February 26, 1988) and subsequent documentation.

Central Administration:

We have worked through the year in raising overall performance standards. We have hired top professionals in the fields of program design and evaluation and finances as well as in management and implementation of activities. This fact explains the quick adjustments the agency has gone through to respond to increased responsibilities. We have also worked very hard in retaining this work team in place.

We are now engaged in our next five year planning process and in our FY 90 programs and budgeting planning process. (A copy of budgeting package in use has been given to the Finance Committee).

Adult Education:

We are currently in the search for a new Department Director. We are also confronting the State budget's deficit and its potential impact on our education programs.

Our record with funding sources is very good and we are in a position to fight-back threats of funding cuts.
Youth Services:

All contracts and commitments were realized despite an increased personnel turnover in this department. Arts and culture programs have suffered under-funding. Collaborations with the City of Boston and other agencies have been successful. Other collaborations are being planned.

Mental Health:

Perhaps the most successful department this past year, it experienced expansion of programs, contracts and professional recognition.

Social Services: Counseling and Advocacy:

The staff and new director for this department have shown maximum dedication and efficiency. Our FY 90 contracts are going to be opened for competition and we are now preparing proposals due on December 31st.

We feel confident that with our collective expertise and excellent track record we will move into 1989 and its forecasted difficulties, with the energy and determination to continue our progressive and continuous accomplishments.

MILESTONES: 1988

1. Union contract is signed.
2. Final transmittal of 409 Dudley building to Alianza Hispana.
3. Construction of classrooms and educational facilities, 3rd floor, 409 Dudley Street.
5. Design and development of innovative programs re: housing, education, health education, elders, youth summer services, mental health.
7. Reorganization of financial systems and budget process.
8. Public relations:
   - More than a dozen articles on our activities in newspapers and magazines including Boston Foundation's and United Way newsletters, Boston Globe, Boston Magazine and Washington Post.
   - More than ten television programs including: Aqui, Centro, Revista, Channel 56 News, Channel 2 and 4.
   - Two national radio shows, NPR
9. Long Term Planning Process in Progress:

The above is not an exhaustive list, our official annual report is on the making, we expect to send it to the printers in January 1989.
Summary of Selected External Trends Having Impact on
Agencies over the Next 3 Years
December 1987

Economic
--Anticipated trade deficit/Wall Street decline
--Higher cost of providing services (labor, real estate, insurance, etc.)
--Continuing shift to service economy
--Potentially catastrophic cost of AIDS epidemic

Political
--Uncertain impact of presidential election
--Declining federal and state funds (with increasing regulations, under-capitalization, etc.)
--Continued erosion of municipal services
--BRA neighborhood policies

Demographics
--Increased gap between rich and poor
--Children as largest poverty group
--More immigrants/refugees
--"Graying" of the population

Foundations/Corporations/
--Reluctance to fund needed operating support
--Attraction to new causes
--Increased professionalism
--Human services lags behind contribution to higher education, health, culture, and religion
--In general, fewer foundation/corporate funds and more competition for them
--Leveling off of United Way increases

Competition
--Increased ability of "traditional agencies" to effectively respond to emerging needs
--Public sector expanding its own programs (instead of contracting with nonprofit organizations)
--For-profits "creaming" high end revenue-generating services
--Over-saturation of agencies creates unproductive competition (instead of collaboration)
--Growth of managed health care squeezing out stand-alone mental health clinics and home health care
--General public has a confused understanding of human services
--Legal tests of nonprofit fees for services

Labor Force
--Increased difficulty in recruiting and retaining staff
--Special problems recruiting and retaining minority staff at all levels
--Competition with for-profits for entry and mid-level workers
--Concern over decreasing standards for available entry level workers
--Lack of career ladders and mobility in human services
A Typical Alianza Family
The Story of la familia Rivera

"As immigrants, our basic institution -- our family -- needs support from the outside in order to maintain its coherence and integrity. And that is what we do at La Alianza Hispana."

Luis Prado

The story of this imaginary family represents typical Alianza constituents and the ways they interact with the agency. The story is told by a typical staff member, Luz Medina, also imaginary, a hispanic social worker who is comadre (godmother, a relationship of great importance) of Hilda, the daughter in the family.

"Today I had coffee with Neli Rivera at her apartment. She makes it look very pretty, even though the walls are patched and the ceiling is leaking and the halls outside are dark and scary. I hope we can help her find better housing. She works so hard, it would help to come home to decent housing.

"Her mother was there, and she's really excited about being elected secretary for Alianza's elders club. I remember when Neli brought her mother here to Boston five years ago, she was so frightened and shy of the city. Now she's lively and involved, and getting other people involved too.

"La abuela (the grandmother) still relies on Neli's boys to translate for her when she deals with officials. Neli is now comfortable in English -- she was a star in her ESL classes, but her mother thinks she's too old to learn.

"They're good boys, even though Neli worries about them a lot. That's one of the things we always talk about. It's very hard raising children alone. At least it's easier now that we helped her find a reasonably secure job, with health insurance.

"Of course, Hilda, the 9-year-old, is mi favorita. She is so sweet. I'm glad she got into the after-school program -- there are so few places. I'd like to see her do very well in school. Maybe it will be easier for her, since she was only 3 when the Riveras moved to Boston. It must have been hard for Tomas, coming as a teenager at 13, and even for Ernesto who was 10.

"Neli was very disappointed when Tomas dropped out of school. Working at a fast-food place seemed like a good deal to him at first, but he sees now that he can do better. He will do well in Alianza's Say Yes program to earn an equivalency diploma. There's going to be so much work in Boston on the tunnel and the southeast expressway, he should be able to find something with a better future if he participates in the ENTRE program or decides to go to college.

"I think that the support the sos program provides may help Ernesto stay in school. He loves the sports and he was very involved with the mural. People are supporting him as he identifies his own special skills.

"They had many struggles making a life for themselves here in Boston. I'm glad La Alianza has been there to help."
TO: All Staff and Board Members

FROM: Luis Prado

DATE: December 5, 1988

RE: Dudley Street Neighborhood Initiative

I am pleased to announce that the City of Boston has granted 
eminent domain powers to DSNI.

Eminent Domain means that DSNI can control and dispose of 
privately owned land that is not in use in this neighborhood.

In order to implement this compact between DSNI and the City 
of Boston two new organizations will be created:

.. Dudley Neighbors, Inc. (See Information Attached)
.. Joint Disposition Committee

We need more Hispanic representation in DSNI, DNI, JDC.

We need to include more Hispanic residents.

We need more representation of our clients and our agency.

If you want to be included, please contact me through Rosa 
Colon, soon!
DUDLEY NEIGHBORS INC.

A. General Purpose:

B. Composition:

Voting

6 DSNI appointees
   (a) DSNI President, 1 tenant, 1 non-profit, 1 local business
   (b) President and at least 3 others must be neighborhood residents
1 Mayoral appointee
1 Roxbury Neighborhood Council appointee
   (a) neighborhood resident
1 Seventh District City Council appointee
   (a) neighborhood resident
   (b) appointed by Bruce Bolling

Non-Voting

1 Second Suffolk Senatorial appointee
   (a) appointed by Bill Owens
1 Fifth Suffolk Representative appointee
   (a) appointed by Nelson Merced

C. Level of DSNI Control:

JOINT DISPOSITION COMMITTEE

A. General Purpose:

B. Composition:

Voting (requires two-thirds vote)

4 Dudley neighborhood appointees
   (a) Chosen by DSNI or DNI
4 City of Boston appointees

Non-voting

1 Roxbury Neighborhood Council appointees

C. Level of DSNI Control:
The contents of this report on activities of the Board of Directors during 1988 highlights accomplishments and projects to be attempted in 1989.

1- Board/Executive Director Relations:

During the past year the Board continued to exert a greater degree of control over Board matters than members had expressed as being the situation in the first year of Luis Prado's tenure as Executive Director. Clearly, this call for assertion of leadership and "ownership" entailed a renewed commitment by Board members to involve themselves in board and agency matters. As could be expected, a dynamic Executive Director, such as Luis, will tend to fill the vacuum left by a complacent Board. The delicate balance of authority and power in the relationship between board and executive director only begins to be successfully addressed when both parties realize, accept and value the advice and support each supplies to the other. Over the past year, greater Board involvement in agency affairs, a concerted effort by the Director to actively consult with Board members to meet the new challenges posed to the Agency, more and clearer sets of directions coming from the Executive Director, and a fairly regular and consistent meetings and committee structure—all have been factors which promoted a more effective working relationship and dynamic.

2-Board Committees:

A concerted effort was undertaken to fortify the work of the Board via a restructuring of its committees, the creation of new committees, and experimentation with the allowance for committee meetings to take place just prior to the regular monthly meetings of the Board. The Nominations, Space, and AIDS Response (expanded to become a Community Health) Committees were established. These committees met fairly regularly, as did the Executive and Finance Committees.
The discussions of the monthly Executive Committee meetings centered on setting goals for the Board, providing counsel to the Executive Director on a host of issues, establishing agendas for the regular Board meetings and, in one instance, holding a grievance hearing under the provisions of the new staff contract. Executive Committee members participated in a training seminar in August for agency staff aimed toward de-mystifying the Board and its functions. The Nominations Committee set criteria, established procedures, and interviewed as well as orientated candidates for Board membership. AIDS Response provided guidance to the Executive Director in formulating plans for agency efforts in confronting this health crisis' impact on the Hispanic community. The Space Committee provided guidance in researching the facilities needs of the new Social Club program.

3- Strategic Planning: In the attempt to delineate the Board's and the Agency's planning efforts, the Executive Committee and administration interviewed candidates for this purpose and selected Dr. Thomas Rice. As they interviewed the candidates, the goals of this planning effort became clearer: setting our goals as an agency for the next few years and involving all the components of the Agency in the deliberations and delineation of strategic goals. In 1989, the Board anticipates greater participation in the process Dr. Rice has already initiated with agency staff.

4- Collective Bargaining Agreement:

The Board's president and member Steve Klein were members of the negotiating team representing the Agency. All non-administrative personnel were represented by District 65 UAW-AFL-CIO. Successful conclusion of the negotiations resulted in Board approval of the first union contract in the Agency's history on June 29, 1988. Staff ratification prior to the signing ceremony on September 1, 1988 formalized the agreement. Their bargaining sessions were conducted in a frank and responsive manner in meeting both Agency and staff interests. The hard bargaining sessions around monetary issues were resolved with minimal acrimony by the intervention of a federal mediator.

5- Fiscal Affairs:

The Agency's fiscal affairs continued to demonstrate a solvent and well-managed system of controls. While we remain generally in the black, the need to increase and diversify revenue sources becomes apparent and paramount in order to allow for program and facilities expansion, improvements in staff salaries, and in promoting greater autonomy for the Agency.

6- Attendance at monthly meetings:

Attendance ranged from a low of 8 to a high of 16 with an average of 12 members at each meeting. Timely communication to the Board from the Agency has greatly improved.
7- Board membership:

The following individuals joined the Board in 1988: Jose Duran, Pascual Madrid, Jose Melendez, Fernando Milan, Jose Monserrate, Victor Posada, Francisco Ramos, and Silvia Saavedra-Keber. Roxana Llerena-Quinn also re-joined the Board.

The following individuals left the Board in 1988: Juan Manuel Avila, Gene Chavez, Clare Figler, Ernie Gutierrez, Ricardo Medina, Pablo Navarro and Elmo Ortiz.

From the President's chair: Board priorities for 1989

1- Strategic Planning process and prioritization of programmatic ventures.

2- 20th Anniversary Celebration and Fund-raising efforts (Endowment).

3- Strengthening to the maximum the functioning of all Board committees.

4- Begin the evaluation process of the Executive Director.

5- Review and up-date of the Board's by-laws and also the personnel manual as the latter now relates only to administrative personnel.

6- Facilities expansion and maintenance needs.

7- Address community health initiatives.

8- Clarify Alianza's relationship with BOHIO and NUESTRA as well as local neighborhood development initiatives.
Revenue Mix FY '88

- Contracts: 81%
- Foundations: 15%
- United Way: 4%
Revenue Mix FY '89

- Contracts: 81%
- Foundations: 4%
- United Way: 15%
Foundations vs. Operating Budget

- Foundations
- Operating Budget

FISCAL YEAR: FY '81, '82, '83, '84, '85, '86, '87, '88, '89

Budget

Foundations
TO:  Betsy Tregar  
FROM: Miguel Ringvald  
DATE: December 07, 1988  
RE: Financial Update

Although all of our contracts are current and we have a very healthy cash position as showed in the attached cash flow projection, there are funds for Adult Education which could be cut as of January 01, 1989. Those funds include $21,000 from Department of Education and $35,000 from Jobs and Community Services (JCS).

The audited financial statement's final edition is also attached for your perusal.

"The Guide for a Successful Budgeting Process" has been distributed last week to department directors so that they could start working on the Fiscal Year '90 Program Budgets. A copy of above named booklet is attached. Also, you will find the Budget Preparation Timetable for a complete schedule of tasks and target dates which will enable all of us to accomplish a participative and successful budgeting process.
LA ALIANZA HISPANA

BALANCE SHEET

ASSETS

CHECKING 157400
MONEY MARKET-CAPITAL 16000
TOTAL CASH 173400

ACCTS RECEIVABLE
BILLING ACCOUNT AMOUNT

JCS-ALI
14-Dec Nov 5000
14-Oct Sep 1600
14-Nov Oct 2594
15-Dec Nov 2500
15-Oct Sep 0
10-Sep Aug 1084
10-Oct Oct 1000
05-Oct Oct 2665
05-Dec Nov 2700
09-Nov Oct 4878
09-Dec Nov 5000
08-Dec Nov 14000
10-Dec Nov 16300
08-Dec Nov 7600
08-Dec Nov 6500
08-Dec Nov 9700
10-Dec Nov 5000
15-Nov Oct 5120
15-Dec Nov 6000
08-Nov Oct 9006
08-Dec Nov 9000
10-Dec Nov 3500
30-Nov Nov 4782

PILLERS
05-Nov Oct 2665
05-Dec Nov 2700
09-Nov Oct 4878
09-Dec Nov 5000
08-Dec Nov 14000
10-Dec Nov 16300
08-Dec Nov 7600
08-Dec Nov 6500
08-Dec Nov 9700
10-Dec Nov 5000
15-Nov Oct 5120
15-Dec Nov 6000
08-Nov Oct 9006
08-Dec Nov 9000
10-Dec Nov 3500
30-Nov Nov 4782

TOTAL A/R 132556

TOTAL ASSETS 305956

LIABILITIES

TOTAL IN 0
AVAILABLE 157400

PAYROLL 42000

TOTAL OUT 42000

PAYROLL 42000

TOTAL LIABILITIES 98000

EST FUND BALANCE

BALANCE 115400
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<tr>
<th>TASK</th>
<th>TARGET DATE</th>
<th>RESPONSIBILITY</th>
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<td>I. PREPARE PRELIMINARY DESCRIPTION OF ALL PROGRAMS PLANNED FOR NEXT YEAR:</td>
<td>January 09</td>
<td>DEPARTMENT DIRECTORS</td>
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<td>Objectives</td>
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<td>Advantages</td>
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<td>Personnel Requirements</td>
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<td>Estimated Cost</td>
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<td>II. PREPARE FIRST DRAFT OF DEPARTMENTAL BUDGETS</td>
<td>February 28</td>
<td>Director of Finance</td>
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<td>III. ASSEMBLE EXPENSE BUDGETS</td>
<td>March 15</td>
<td>Director of Finance</td>
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<td>IV. PREPARE INCOME BUDGET</td>
<td>March 15</td>
<td>Director of Finance</td>
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<tr>
<td>V. REVIEW FIRST DRAFT OF BUDGET</td>
<td>April 15</td>
<td>BOARD FINANCE COMMITTEE</td>
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<td>VI. FINAL DECISIONS ON NEXT YEAR PROGRAM</td>
<td>May 15</td>
<td>BOARD FINANCE COMMITTEE</td>
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<td>VII. REVISION AS REQUIRED</td>
<td>May 30</td>
<td>Designated Department Head</td>
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<td>VIII. PRESENTATION TO BOARD OF DIRECTORS</td>
<td>June 15</td>
<td>Executive Director</td>
</tr>
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LA ALIANZA HISPANA, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1988 AND 1987
# LA ALIANZA HISPANA, INC.

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<td>SUPPLEMENTAL INFORMATION</td>
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<td>SCHEDULES OF COUNSELING PROGRAMS EXPENSES</td>
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<td>SCHEDULES OF YOUTH PROGRAMS EXPENSES</td>
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INDEPENDENT ACCOUNTANTS' REPORT

Board of Directors
La Alianza Hispana, Inc.
Roxbury, Massachusetts

We have audited the accompanying balance sheets of La Alianza Hispana, Inc. at June 30, 1988 and 1987, and the related statements of grants, contributions, expenses and changes in fund balances and functional expenses for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of La Alianza Hispana, Inc. at June 30, 1988 and 1987, and the results of its operations and changes in its fund balances for the years then ended in conformity with generally accepted accounting principles.

Kennedy & Lehan

September 19, 1988
LA ALIANZA HISPANA, INC.

BALANCE SHEETS

JUNE 30, 1988 AND 1987

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<tr>
<td></td>
<td>CURRENT FUNDS</td>
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<td>Unrestricted</td>
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<td></td>
<td>Cash</td>
<td>8,118</td>
<td>Accounts payable</td>
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<td>Accounts receivable, funding agencies</td>
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<td>Notes payable (Note 3)</td>
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<td>Prepaid expenses</td>
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<td>Payroll taxes withheld and accrued</td>
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<td>9,094</td>
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<td>Other assets (Note 2)</td>
<td>310</td>
<td>Accrued expenses</td>
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<td>71,722</td>
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<td></td>
<td>Total unrestricted current funds</td>
<td>$218,997</td>
<td>Due to restricted fund</td>
<td>---</td>
<td>14,636</td>
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<tr>
<td></td>
<td>Total liabilities and unearned revenue</td>
<td>164,415</td>
<td>Fund balance</td>
<td>54,582</td>
<td>69,452</td>
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<tr>
<td></td>
<td>Total unrestricted current funds</td>
<td>$218,997</td>
<td>Total restricted current funds</td>
<td>$16,500</td>
<td>21,500</td>
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<td></td>
<td>Restricted</td>
<td></td>
<td>Unearned revenue (Note 4)</td>
<td>$16,500</td>
<td>21,500</td>
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<td>Cash from unrestricted fund</td>
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<td>Total restricted current funds</td>
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<td>Total building fund</td>
<td>$37,402</td>
<td>24,618</td>
</tr>
<tr>
<td></td>
<td>Building and improvements, net of accumulated depreciation of $95,160 and $72,163</td>
<td>807,850</td>
<td>Unearned revenue (Note 4)</td>
<td>$31,645</td>
<td>60,657</td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td>31,645</td>
<td>Fund balance</td>
<td>776,205</td>
<td>148,908</td>
</tr>
<tr>
<td></td>
<td>Cash</td>
<td>31,645</td>
<td>Total building fund</td>
<td>$807,850</td>
<td>209,565</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
LA ALIANZA HISPANA, INC.

STATEMENTS OF GRANTS, CONTRIBUTIONS, EXPENSES AND CHANGES IN FUND BALANCES

YEARS ENDED JUNE 30, 1988 AND 1987

<table>
<thead>
<tr>
<th>Unrestricted</th>
<th>Current Funds</th>
<th>Restricted</th>
<th>Equipment Fund</th>
<th>Building Fund</th>
<th>Total All Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contributions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Massachusetts Department of Social Services</td>
<td>$382,388</td>
<td>$358,426</td>
<td>---</td>
<td>---</td>
<td>$ ---</td>
</tr>
<tr>
<td>City of Boston</td>
<td>254,700</td>
<td>152,339</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Massachusetts Department of Public Health</td>
<td>136,250</td>
<td>169,511</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Massachusetts Department of Public Welfare</td>
<td>110,440</td>
<td>42,978</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Massachusetts Department of Mental Health</td>
<td>78,245</td>
<td>80,000</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Massachusetts Department of Education</td>
<td>40,610</td>
<td>37,480</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Villers Foundation</td>
<td>20,856</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Grants and donations</td>
<td>94,212</td>
<td>90,318</td>
<td>36,000</td>
<td>27,989</td>
<td>---</td>
</tr>
<tr>
<td>Other (Note 7)</td>
<td>117,774</td>
<td>26,908</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Total grants and contributions</td>
<td>1,477,873</td>
<td>1,205,896</td>
<td>36,000</td>
<td>27,989</td>
<td>---</td>
</tr>
<tr>
<td>Expenses:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mental Health</td>
<td>102,616</td>
<td>107,489</td>
<td>---</td>
<td>---</td>
<td>570</td>
</tr>
<tr>
<td>Counseling</td>
<td>430,769</td>
<td>356,878</td>
<td>---</td>
<td>---</td>
<td>4,134</td>
</tr>
<tr>
<td>Youth</td>
<td>368,281</td>
<td>332,350</td>
<td>36,000</td>
<td>27,989</td>
<td>4,343</td>
</tr>
<tr>
<td>Education</td>
<td>215,500</td>
<td>130,985</td>
<td>---</td>
<td>---</td>
<td>3,023</td>
</tr>
<tr>
<td>Total program services</td>
<td>1,137,166</td>
<td>927,672</td>
<td>36,000</td>
<td>27,989</td>
<td>12,068</td>
</tr>
<tr>
<td>Supporting services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and administrative</td>
<td>329,299</td>
<td>241,329</td>
<td>---</td>
<td>---</td>
<td>626</td>
</tr>
<tr>
<td>Total expenses</td>
<td>1,466,465</td>
<td>1,169,001</td>
<td>36,000</td>
<td>27,989</td>
<td>13,494</td>
</tr>
<tr>
<td>Excess (deficit) of grants and contributions over expenses</td>
<td>11,408</td>
<td>36,895</td>
<td>---</td>
<td>---</td>
<td>(13,494)</td>
</tr>
<tr>
<td>Other changes in fund balances:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment acquisition from unrestricted funds (Note 5)</td>
<td>(26,278)</td>
<td>(6,836)</td>
<td>---</td>
<td>---</td>
<td>26,278</td>
</tr>
<tr>
<td>FUND BALANCE, Beginning of year</td>
<td>$69,452</td>
<td>$39,293</td>
<td>---</td>
<td>---</td>
<td>$24,618</td>
</tr>
<tr>
<td>FUND BALANCE, End of year</td>
<td>$54,582</td>
<td>$69,452</td>
<td>---</td>
<td>---</td>
<td>$37,402</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
### LA ALIANZA HISPANA, INC.

#### STATEMENTS OF FUNCTIONAL EXPENSES

**YEARS ENDED JUNE 30, 1986 AND 1987**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries and wages</strong></td>
<td>$ 309,006</td>
<td>$ 283,151</td>
<td>$ 269,781</td>
<td>$ 223,479</td>
<td>$ 164,341</td>
<td>$ 95,630</td>
<td>$ 71,165</td>
<td>$ 69,639</td>
<td>$ 814,293</td>
<td>$ 631,952</td>
</tr>
<tr>
<td><strong>Payroll taxes</strong></td>
<td>28,945</td>
<td>21,894</td>
<td>24,908</td>
<td>18,593</td>
<td>15,394</td>
<td>7,961</td>
<td>6,730</td>
<td>5,794</td>
<td>29,917</td>
<td>13,800</td>
</tr>
<tr>
<td><strong>Employee benefits</strong></td>
<td>22,080</td>
<td>13,674</td>
<td>19,126</td>
<td>11,613</td>
<td>11,776</td>
<td>4,972</td>
<td>5,152</td>
<td>3,618</td>
<td>58,144</td>
<td>23,077</td>
</tr>
<tr>
<td><strong>Total salaries and related expenses</strong></td>
<td>$ 359,331</td>
<td>$ 298,719</td>
<td>$ 313,915</td>
<td>$ 253,685</td>
<td>$ 191,501</td>
<td>$ 108,616</td>
<td>$ 83,047</td>
<td>$ 79,051</td>
<td>$ 948,394</td>
<td>$ 740,071</td>
</tr>
<tr>
<td><strong>Occupancy</strong></td>
<td>$ 6,789</td>
<td>$ 11,252</td>
<td>$ 17,440</td>
<td>$ 26,536</td>
<td>$ 6,566</td>
<td>$ 10,163</td>
<td>$ 1,212</td>
<td>$ 1,682</td>
<td>$ 31,987</td>
<td>$ 49,673</td>
</tr>
<tr>
<td><strong>Professional fees</strong></td>
<td>22,057</td>
<td>6,001</td>
<td>41,496</td>
<td>37,012</td>
<td>1,470</td>
<td>1,040</td>
<td>5,907</td>
<td>19,184</td>
<td>30,946</td>
<td>64,117</td>
</tr>
<tr>
<td><strong>Management and general</strong></td>
<td>15,610</td>
<td>15,481</td>
<td>15,176</td>
<td>18,040</td>
<td>7,506</td>
<td>5,836</td>
<td>4,960</td>
<td>38,574</td>
<td>44,317</td>
<td>34,274</td>
</tr>
<tr>
<td><strong>Equipment rental</strong></td>
<td>905</td>
<td>25</td>
<td>3,979</td>
<td>70</td>
<td>1,170</td>
<td>10</td>
<td>1,179</td>
<td>7,233</td>
<td>105</td>
<td>3,463</td>
</tr>
<tr>
<td><strong>Transportation</strong></td>
<td>12,774</td>
<td>17,391</td>
<td>19,166</td>
<td>11,909</td>
<td>315</td>
<td>128</td>
<td>504</td>
<td>315</td>
<td>32,776</td>
<td>29,743</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>6,032</td>
<td>3,067</td>
<td>6,965</td>
<td>904</td>
<td>1,563</td>
<td></td>
<td>6,472</td>
<td>103</td>
<td>21,053</td>
<td>4,111</td>
</tr>
<tr>
<td><strong>Food</strong></td>
<td>930</td>
<td>189</td>
<td>2,326</td>
<td>2,459</td>
<td>310</td>
<td>174</td>
<td>57</td>
<td>3,726</td>
<td>2,879</td>
<td>713</td>
</tr>
<tr>
<td><strong>Educational materials</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Program supplies</strong></td>
<td>3,656</td>
<td>3,003</td>
<td>3,150</td>
<td>6,539</td>
<td>1,189</td>
<td>322</td>
<td>3,748</td>
<td>1,715</td>
<td>11,743</td>
<td>11,576</td>
</tr>
<tr>
<td><strong>Staff training</strong></td>
<td>1,816</td>
<td>1,613</td>
<td>581</td>
<td>484</td>
<td>579</td>
<td>167</td>
<td>367</td>
<td>225</td>
<td>3,363</td>
<td>2,469</td>
</tr>
<tr>
<td><strong>Fund raising supplies</strong></td>
<td>99</td>
<td>47</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses before depreciation and amortization</strong></td>
<td>$ 430,769</td>
<td>$ 366,878</td>
<td>$ 424,381</td>
<td>$ 369,339</td>
<td>$ 215,590</td>
<td>$ 130,956</td>
<td>$ 102,616</td>
<td>$ 107,489</td>
<td>$ 117,166</td>
<td>$ 975,661</td>
</tr>
<tr>
<td><strong>Depreciation and amortization: Equipment fund assets</strong></td>
<td>4,134</td>
<td>3,134</td>
<td>4,343</td>
<td>3,343</td>
<td>3,021</td>
<td>2,821</td>
<td>570</td>
<td>523</td>
<td>12,909</td>
<td>9,021</td>
</tr>
<tr>
<td><strong>Building fund assets</strong></td>
<td>6,014</td>
<td>2,593</td>
<td>1,734</td>
<td>1,832</td>
<td>6,032</td>
<td>2,322</td>
<td>1,205</td>
<td>599</td>
<td>21,455</td>
<td>11,236</td>
</tr>
<tr>
<td><strong>Total depreciation and amortization</strong></td>
<td>10,149</td>
<td>5,727</td>
<td>6,067</td>
<td>5,175</td>
<td>9,053</td>
<td>5,125</td>
<td>1,770</td>
<td>1,122</td>
<td>34,364</td>
<td>20,257</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
Note 1 - Summary of Significant Accounting Policies

Nature of Organization - La Alianza Hispana, Inc. was incorporated under the laws of the Commonwealth of Massachusetts on October 10, 1970 and has received qualification as a tax exempt organization under provisions of the Internal Revenue Code. The Organization's purpose is to provide a wide range of social services primarily to Spanish-speaking residents of Boston.

The financial statements of the Organization have been prepared in accordance with the Voluntary Health and Welfare Organizations' Audit Guide issued by a committee of the American Institute of Certified Public Accountants. The more significant accounting policies followed by La Alianza Hispana, Inc. are summarized below.

Revenue Recognition - All grants and contributions are considered to be available for general use unless specifically restricted by the donor. Grants are recognized as revenues upon the performance of reimbursable activities or as the terms of the grant have been met.

Donated Materials, Services and Facilities - Donated materials, services and facilities are reflected as contributions in the accompanying statements where a clearly measurable basis exists for their valuation.

During the year ended June 30, 1988, the Organization's operating facility and certain office furniture were donated to the Agency. This donation has been reflected in the accompanying financial statements at the fair market value of these assets, which was determined to be $574,000.

Property, Plant and Equipment - Items capitalized in the building and equipment funds are recorded at cost. Maintenance, routine repairs, and minor replacements are charged against operations as incurred, while those items which materially improve or extend the lives of existing assets are capitalized. Depreciation is computed utilizing the straight-line method calculated to amortize the cost of the assets over their estimated useful lives which are as follows:
Note 1 - Summary of Significant Accounting Policies (Continued)

Property, Plant and Equipment (Continued)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and equipment</td>
<td>5 - 10</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>5</td>
</tr>
<tr>
<td>Building and improvements</td>
<td>20 - 31.5</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>10 - 15</td>
</tr>
</tbody>
</table>

Note 2 - Investments

The Organization is a 60% owner of a local development corporation, organized to develop certain parcels of land in Boston, Massachusetts in conjunction with several limited partnerships. The development project was established to provide housing for people of low and moderate income in the community. La Alianza Hispana, Inc. might receive future income upon sale of the developed properties.

Note 3 - Note Payable, Bank

At June 30, 1987, the Organization had an outstanding unsecured short-term note payable in the amount of $45,000 with interest at 11.25% annually. This note was repaid in full in during the year ended June 30, 1988.

Note 4 - Unearned Revenue

Information regarding unearned revenue shown in the respective funds at June 30, 1988 and 1987 is as follows:

<table>
<thead>
<tr>
<th>Restricted Fund</th>
<th>1988</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boston Globe Foundation</td>
<td>$19,000</td>
<td>$1,500</td>
</tr>
<tr>
<td>Riley Foundation</td>
<td>5,000</td>
<td>---</td>
</tr>
<tr>
<td>Pamela Sayward Trust</td>
<td>2,500</td>
<td>---</td>
</tr>
<tr>
<td>Frank and Carl Adams Memorial Fund</td>
<td>2,000</td>
<td>---</td>
</tr>
<tr>
<td>New England Telephone</td>
<td>2,000</td>
<td>---</td>
</tr>
</tbody>
</table>

- 6 -
Note 4 - Unearned Revenue (Continued)

<table>
<thead>
<tr>
<th>Fund / Organization</th>
<th>1988</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted Fund (Continued):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern Association</td>
<td>500</td>
<td>---</td>
</tr>
<tr>
<td>The Boston Foundation</td>
<td>---</td>
<td>10,000</td>
</tr>
<tr>
<td>Schrafft's</td>
<td>---</td>
<td>4,000</td>
</tr>
<tr>
<td>Polaroid</td>
<td>---</td>
<td>2,500</td>
</tr>
<tr>
<td>Peter Strauss</td>
<td>---</td>
<td>2,500</td>
</tr>
<tr>
<td>Private Industry Council</td>
<td>---</td>
<td>2,428</td>
</tr>
<tr>
<td>Fr. Peter Trust</td>
<td>---</td>
<td>2,000</td>
</tr>
<tr>
<td>Boston Edison</td>
<td>---</td>
<td>2,000</td>
</tr>
<tr>
<td>Stop &amp; Shop Foundation</td>
<td>---</td>
<td>1,000</td>
</tr>
<tr>
<td>First Mutual</td>
<td>---</td>
<td>1,000</td>
</tr>
<tr>
<td>New England Telephone</td>
<td>---</td>
<td>1,000</td>
</tr>
<tr>
<td>Total grants received</td>
<td>31,000</td>
<td>29,928</td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>21,500</td>
<td>19,561</td>
</tr>
<tr>
<td>Revenue recognized</td>
<td>(36,000)</td>
<td>(27,989)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$16,500</td>
<td>$21,500</td>
</tr>
</tbody>
</table>

Building Fund:

<table>
<thead>
<tr>
<th>Fund / Organization</th>
<th>1988</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$60,657</td>
<td>$10,657</td>
</tr>
<tr>
<td>Riley Foundation - challenge grant</td>
<td>27,283</td>
<td>---</td>
</tr>
<tr>
<td>Riley Foundation - building grant</td>
<td>---</td>
<td>50,000</td>
</tr>
<tr>
<td>Sailors Snug Harbor of Boston</td>
<td>10,000</td>
<td>---</td>
</tr>
<tr>
<td>Charles Farnsworth Trust</td>
<td>10,000</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>107,940</td>
<td>60,657</td>
</tr>
</tbody>
</table>

Revenue recognized                           | (76,295) | --- |

Balance at end of year                        | $31,645 | $60,657 |
Note 5 - Acquisition From Unrestricted Fund

At June 30, 1988 and 1987, the organization transferred funds in the amount of $26,279 and $5,836 from the unrestricted fund to the equipment fund and also in 1987, $1,000 was transferred from the unrestricted fund to the building fund. These funds were expended to acquire equipment.

Note 6 - Contingent Revenues

The following amounts at June 30, 1988 and 1987, which are not reflected in the financial statements, were available to be earned under existing grants. The amount available at June 30, 1987 was earned during the year ended June 30, 1988.

<table>
<thead>
<tr>
<th></th>
<th>1988</th>
<th>1987</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Way of Massachusetts Bay</td>
<td>$ 130,550</td>
<td>$ 142,364</td>
</tr>
<tr>
<td>Department of Public Welfare</td>
<td>$ 93,178</td>
<td>$ 87,522</td>
</tr>
<tr>
<td>City of Boston</td>
<td>$ 19,182</td>
<td>$ 21,813</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 242,910</td>
<td>$ 251,699</td>
</tr>
</tbody>
</table>

In addition, during the year ended June 30, 1987, The Riley Foundation approved a $50,000 challenge reserve grant for the purpose of expanding and improving the present facilities.

This grant is payable in two $25,000 installments, with installment one payable during October-November 1987 and installment two payable during October-November 1988. This grant is contingent on the Organization raising $25,000 to match installment one and the balance of funds necessary for the Organization to successfully complete the improvements by August 31, 1988. During the year ended June 30, 1988, the Organization received the first installment grant and successfully raised the additional matching funds.
Note 7 - Other Income

For the year ended June 30, 1988, other income includes a refund of $28,520 received from American Telephone and Telegraph for overpayments in prior years.