



**American Friends of Un Techo Para
Mi Pais, Inc. d/b/a Techo**

Financial Statements
Year Ended December 31, 2016

**American Friends of Un Techo Para
Mi Pais, Inc. d/b/a Techo**

Financial Statements
Year Ended December 31, 2016

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo

Contents

Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities and Changes in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11



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Independent Auditor's Report

Board of Directors
American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo
Miami, Florida

We have audited the accompanying financial statements of American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo (the "Organization"), a non-profit organization, which comprise the statements of financial position as of December 31, 2016, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Coral Gables, Florida
July 6, 2017

BDO USA, LLP

Certified Public Accountants

Financial Statements

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo

Statement of Financial Position

<i>December 31,</i>		2016
Assets		
Cash	\$	420,468
Contributions receivable		195,009
Prepaid expenses and other assets		7,546
Furniture and equipment, net		16,667
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Total assets		639,690
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Liabilities and net assets		
Liabilities		
Allocations payable		424,973
Accounts payable and other liabilities		7,207
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Total liabilities		432,180
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Net assets:		
Unrestricted		207,510
<hr/>		
Total liabilities and net assets	\$	639,690

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

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo

Statement of Activities and Changes in Net Assets

<i>For the year ended December 31,</i>	2016
Unrestricted net assets	
Revenues and support:	
Contributions	\$ 1,348,233
Special events	662,638
Total revenues and support	2,010,871
Expenses:	
Program services	1,310,429
Support services:	
Fundraising	515,772
Management and general	66,512
Total expenses	1,892,713
Change in net assets	118,158
Unrestricted net assets, beginning of year	89,352
Unrestricted net assets, end of year	\$ 207,510

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

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo
Statement of Functional Expenses
For the Year Ended December 31, 2016

	Support Services			Program Services				Total
	Fundraising	Management and General	Total Support Services	Education and Skill Training Programs	Housing and Infrastructure	Latin America Organizational Development	Total Program Services	
Salaries and related expenses:								
Salaries	\$ 242,304	\$ 11,178	\$ 253,482	\$ 2,008	\$ 31,323	\$ 6,827	\$ 40,158	\$ 293,640
Payroll taxes	19,921	631	20,552	156	2,426	529	3,111	23,663
Total salaries and related expenses	262,225	11,809	274,034	2,164	33,749	7,356	43,269	317,303
Other expenses:								
Materials and tools	7,540	-	7,540	-	-	-	-	7,540
Supplies	7,839	395	8,234	337	2,078	392	2,807	11,041
Transportation	9,379	2,092	11,471	1,413	8,714	1,649	11,776	23,247
Services in events	126,391	-	126,391	-	-	-	-	126,391
Professional services	-	27,124	27,124	-	-	-	-	27,124
Office support and administration	34,953	16,977	51,930	133	823	156	1,112	53,042
Platform fees and bank commissions	50,576	-	50,576	309	1,899	359	2,567	53,143
Allocations to affiliates	-	-	-	144,888	921,996	182,014	1,248,898	1,248,898
Miscellaneous	-	8,115	8,115	-	-	-	-	8,115
Total expenses before depreciation	236,678	54,703	291,381	147,080	935,510	184,570	1,267,160	1,558,541
Depreciation	16,667	-	16,667	10	157	35	202	16,869
Total expenses	\$ 515,570	\$ 66,512	\$ 582,082	\$ 149,254	\$ 969,416	\$ 191,961	\$ 1,310,631	\$ 1,892,713

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

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo

Statements of Cash Flows

<i>For the year ended December 31,</i>	2016
Cash flows from operating activities:	
Change in net assets	\$ 118,158
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:	
Depreciation	16,869
Changes in operating assets and liabilities:	
Contributions receivable	(162,274)
Prepaid expenses and other assets	6,826
Allocations payable	(75,836)
Accounts payable and other liabilities	(1,083)
Net cash used in operating activities	(97,340)
Net decrease in cash	(97,340)
Cash at Beginning of Year	517,808
Cash at End of Year	\$ 420,468

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

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Organization

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo (the "Organization") is a not-for-profit organization established in 2009 in the State of Delaware and organized for purposes which are exclusively charitable within the meaning of section 501(c)(3) of the Internal Revenue Code. The Organization accomplishes these purposes by conducting activities in support or for the benefit of its affiliated organizations located throughout Latin America.

The original affiliate organizations began operations in 1997 and work alongside 620 communities in 19 Latin American countries. These Projects mobilizing over a million youth volunteers through innovative programs and projects that include 110,000 transitional houses, 7,000 permanent homes, employment, education and leadership training programs, and other infrastructure projects in order to transform slums into sustainable and organized communities across the Americas. These affiliates also operate under the name Techo.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Net assets, revenue, gains and losses are classified into three classes of net assets based on the existence or absence of donor-imposed restrictions. The three net asset categories are reflected in the accompanying financial statements as follows:

Unrestricted - Net assets which are not subject to donor-imposed stipulations or restrictions; and include all revenue, gains and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire with the passage of time or that can be fulfilled or otherwise removed by actions of Organization pursuant to those stipulations. There are no temporarily restricted net assets as of December 31, 2016.

Permanently restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of Organization. There are no permanently restricted net assets as of December 31, 2016.

Contributions

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor 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."

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo

Notes to Financial Statements

Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as unrestricted support.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization uses the services of volunteers in its day-to-day operations and fund raising events. No amounts have been recorded in the accompanying financial statements for such donated services as they do not meet recognition requirements under certain pronouncements. It is not practicable to estimate their value.

Contributions Receivable

Contributions receivable, less a provision for estimated uncollectible amounts and unamortized discounts, are reported at net realizable value which approximates fair value and consist of amounts due from pledges. The allowance for doubtful accounts is the Organization's best estimate of the amount of probable losses. Past due balances are reviewed individually for collectability. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

Contributions determined to be uncollectible during the year in which such pledges are received are shown as a reduction of contributions. Contributions determined to be uncollectible subsequent to the year in which such pledges are received are charged to the allowance for uncollectible pledges. Management has determined no allowance is necessary as of December 31, 2016.

Cash

The Organization considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents as of December 31, 2016.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash with highly rated financial institutions, and, by policy, limits the amount of credit exposure to any one institution. Although cash balances may exceed federally insured limits at times during the year, the Organization has not experienced any losses in such accounts.

Furniture and Equipment, Net

The Organization follows the practice of capitalizing all expenditures over \$1,000, which are expected to last over one year. Furniture and equipment are stated at cost less accumulated depreciation or, if contributed, the fair market value at the time of donation. If donors stipulate

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo

Notes to Financial Statements

how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, the contributions are recorded as unrestricted support. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

Estimated useful lives of these assets are as follow:

Office furniture and equipment	5 - 7 years
Computer software	3 - 5 years

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities are, for the most part, separately identifiable. Certain costs, not separately identifiable, have been allocated among the programs and supporting services benefited in the Statement of Functional Expenses based on management's estimate of the costs related to each function.

Income Tax

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not include any provision or related liability for income taxes. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. The Organization's Federal Exempt Organization Income Tax Returns are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Subsequent Events

The Organization has evaluated subsequent events through July 6, 2017, which is the date the financial statements were available to be issued.

2. Contributions Receivable

Contributions receivable consists of amounts totaling \$195,009 due in less than one year as of December 31, 2016.

There was no bad debt expense for contributions receivable for the years ended December 31, 2016.

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo

Notes to Financial Statements

3. Furniture and Equipment, Net

The major classifications of furniture and equipment consist of the following at December 31, 2016:

<i>December 31,</i>		2016
Office furniture and equipment	\$	53,256
Computer software		1,346
		54,602
Less: Accumulated Depreciation		(37,935)
Furniture and Equipment, Net	\$	16,667

Depreciation expense for the year ended December 31, 2016 was \$16,869 and is included in the accompanying Statement of Functional Expenses.

4. Allocations Payable

Allocations payable represent contributions pledged to affiliates not yet paid. During the year ended December 31, 2016, the Organization contributed approximately \$1,248,898 to its affiliated organizations of which \$424,973 was unpaid at December 31, 2016. These contributions are included within allocations to affiliates in the accompanying Statement of Functional Expenses.

Allocations payable categorized by affiliate are as follow at December 31, 2016:

<i>December 31,</i>		2016
Techo - Argentina	\$	43,800
Techo - Bolivia		33,600
Techo - Brasil		83,390
Techo - Chile		9,806
Techo - Colombia		25,708
Techo - Costa Rica		23,139
Techo - Dominican Republic		6,215
Techo - El Salvador		7,900
Techo - Guatemala		19,361
Techo - Haiti		46,695
Techo - International Office		25,625
Techo - Paraguay		47,961
Techo - Venezuela		21,030
Techo - Other		30,743
Total	\$	424,973

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo

Notes to Financial Statements

5. Commitments and Contingencies

Litigation

From time to time, the Organization is involved in legal proceedings arising in the ordinary course of business. The Organization believes there is no litigation pending against it that could have, individually or in the aggregate, a material adverse effect on its financial position, results of activities or cash flows.

Operating Lease

The Organization leases office space under an operating lease which expired on July 1, 2016. Effective July 2, 2016, the lease is on a month-to-month basis. Rental expense totaled approximately \$7,200 for the year ended December 31, 2016 and is included within services in the accompanying Statement of Functional Expenses.