



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

**Financial Statements
Year Ended December 31, 2015**



American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo
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Independent Auditors' Report

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

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 statement of financial position as of December 31, 2015, and the related statements 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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**Independent Auditors' Report
(continued)**

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, 2015, 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.

Goldstein Schechter Koch, P.A.

Coral Gables, Florida
August 9, 2016

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo
Statement of Financial Position
December 31, 2015

Assets

Cash	\$	517,808
Contributions receivable		32,735
Prepaid expenses and other assets		14,372
Furniture and equipment, net		33,536
Total assets	\$	598,451

Liabilities and net assets

Liabilities		
Allocations payable	\$	500,809
Accounts payable and other liabilities		8,290
Total liabilities		509,099

Net assets:

Unrestricted		89,352
Total liabilities and net assets	\$	598,451

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
Year Ended December 31, 2015

Unrestricted net assets

Revenues and support:

Contributions	\$	1,451,708
Special events		551,255
Other income		2,188
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Total revenues and support		2,005,151

Expenses:

Program services		1,398,714
Support services:		
Fundraising		465,867
Management and general		62,742
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Total expenses		1,927,323

Change in unrestricted net assets 77,828

Unrestricted net assets, beginning of year		11,524
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Unrestricted net assets, end of year	\$	89,352

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
Year Ended December 31, 2015

	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	\$ 249,728	\$ 52,932	\$ 302,660	\$ 1,334	\$ 20,815	\$ 4,536	\$ 26,685	\$ 329,345	
Payroll taxes	22,039	4,032	26,071	128	2,004	437	2,569	28,640	
Total salaries and related expenses	271,767	56,964	328,731	1,462	22,819	4,973	29,254	357,985	
Other expenses:									
Materials and tools	13,326	-	13,326	-	638	-	638	13,964	
Supplies	8,272	379	8,651	45	703	153	901	9,552	
Transportation	4,805	3,262	8,067	31	10,673	107	10,811	18,878	
Services	122,925	2,113	125,038	1,307	20,648	4,442	26,397	151,435	
Administrative expenses	-	-	-	152	2,376	518	3,046	3,046	
Platform fees and bank commissions	27,700	-	27,700	118	1,836	400	2,354	30,054	
Allocations to affiliates	-	-	-	74,009	1,022,041	221,661	1,317,711	1,317,711	
Miscellaneous	405	24	429	362	5,647	1,231	7,240	7,669	
Total expenses before depreciation	449,200	62,742	511,942	77,486	1,087,381	233,485	1,398,352	1,910,294	
Depreciation	16,667	-	16,667	18	282	62	362	17,029	
Total expenses	\$ 465,867	\$ 62,742	\$ 528,609	\$ 77,504	\$ 1,087,663	\$ 233,547	\$ 1,398,714	\$ 1,927,323	

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 Cash Flows
Year Ended December 31, 2015

Cash flows from operating activities:

Change in net assets	\$	77,828
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation		17,029
Changes in operating assets and liabilities:		
Contributions receivable		(4,650)
Prepaid expenses and other assets		(808)
Allocations payable		(475,437)
Accounts payable and other liabilities		(51,642)
Net cash used in operating activities		(437,680)

Cash flows from investing activities:

Purchases of furniture and equipment		(50,405)
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Net decrease in cash (488,085)

Cash at beginning of year 1,005,893

Cash at end of year \$ 517,808

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
December 31, 2015

Note 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 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, while 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, 2015.

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, 2015.

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

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo
Notes to Financial Statements
December 31, 2015

Note 1 – Organization and Significant Accounting Policies - continued

Contributions - continued

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, 2015.

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, 2015.

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 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.

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo
Notes to Financial Statements
December 31, 2015

Note 1 – Organization and Significant Accounting Policies - continued

Furniture and Equipment, Net - continued

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 August 9, 2016, which is the date the financial statements were available to be issued.

Note 2 – Contributions Receivable

Contributions receivable consists of amounts totaling \$32,735 due in less than one year as of December 31, 2015.

There was no bad debt expense for contributions receivable for the year ended December 31, 2015.

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo
Notes to Financial Statements
December 31, 2015

Note 3 – Furniture and Equipment, Net

The major classifications of furniture and equipment consist of the following at December 31, 2015:

Office furniture and equipment	\$ 53,256
Computer software	1,345
	54,601
Less: accumulated depreciation	(21,065)
<u>Furniture and equipment, net</u>	<u>\$ 33,536</u>

Depreciation expense for the year ended December 31, 2015 was \$17,029 and is included in the accompanying Statement of Functional Expenses.

Note 4 – Allocations Payable

Allocations payable represent contributions pledged to affiliates not yet paid. During the year ended December 31, 2015, the Organization contributed approximately \$1,317,700 to its affiliated organizations of which \$500,809 was unpaid at December 31, 2015. 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, 2015:

Techo - Argentina	\$ 170,056
Techo - Brasil	138,628
Techo - Chile	48,898
Techo - Nicaragua	47,544
Techo - El Salvador	34,220
Techo - Costa Rica	11,642
Techo - Haiti	9,302
Techo - Colombia	7,600
Techo - Venezuela	6,909
Techo - Guatemala	4,134
Techo - Mexico	2,758
Techo - Ecuador	2,442
Techo - Dominican Republic	1,056
Techo – Other	15,620
<u>Total</u>	<u>\$ 500,809</u>

Note 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.

American Friends of Un Techo Para Mi Pais, Inc. d/b/a Techo
Notes to Financial Statements
December 31, 2015

Note 5 – Commitments and Contingencies - continued

Operating Lease

The Organization leases office space under an operating lease expiring on July 1, 2016. Effective July 2, 2016, the lease is now on a month-to-month basis. Rental expense for the year ended December 31, 2015 totaled approximately \$14,100 and is included within services in the accompanying Statement of Functional Expenses. Future minimum lease payments are \$3,600 in 2016.



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