

**AMIGOS DE LAS AMÉRICAS, INC.**

Financial Statements

December 31, 2013

*(With Independent Auditors' Report Thereon)*

**Insight. Oversight. Foresight.<sup>SM</sup>**

 **DoerenMayhew**  
CPAs AND ADVISORS

# AMIGOS DE LAS AMÉRICAS, INC.

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Amigos de las Américas, Inc.:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Amigos de las Américas, Inc. (AMIGOS), a nonprofit organization, which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, 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 controls 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 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 AMIGOS'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 AMIGOS'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 Amigos de las Américas, Inc. as of December 31, 2013, 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.

A handwritten signature in cursive script that reads "Aileen Mayhew".

Houston, Texas  
July 15, 2014

# AMIGOS DE LAS AMÉRICAS, INC.

## Statement of Financial Position December 31, 2013

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<u>Assets</u>	
Current assets:	
Cash and cash equivalents	\$ 112,451
Investments	1,892,933
Receivables:	
AMIGOS chapters	125,532
Grants receivable	125,750
Other	20,629
Total receivables	271,911
Prepaid expenses and other assets	39,073
Total current assets	2,316,368
Property and equipment, net	605,414
Total assets	<u>\$ 2,921,782</u>
<u>Liabilities and Net Assets</u>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 238,941
Advances from AMIGOS chapters	409,297
Deferred revenue	10,250
Note payable - current portion	27,652
Total current liabilities	686,140
Note payable - net of current portion	129,938
Total liabilities	816,078
Net assets:	
Unrestricted	1,806,613
Temporarily restricted	35,257
Permanently restricted	263,834
Total net assets	2,105,704
Total liabilities and net assets	<u>\$ 2,921,782</u>

See accompanying notes to financial statements.

**AMIGOS DE LAS AMÉRICAS, INC.**

**Statement of Activities and Changes in Net Assets  
Year Ended December 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Public support and revenues:				
Volunteer contributions	\$ 2,905,907	\$ -	\$ -	\$ 2,905,907
Federal grant revenue	304,976	-	-	304,976
Other contributions	639,820	5,000	-	644,820
Special events (revenues of \$50,815 less expenses of \$10,397)	40,418	-	-	40,418
Interest and other income	148,245	-	-	148,245
Net assets released from restrictions	<u>18,991</u>	<u>(18,991)</u>	<u>-</u>	<u>-</u>
Total public support and revenues	4,058,357	(13,991)	-	4,044,366
Expenses:				
Operating programs	4,109,680	-	-	4,109,680
General and administrative	151,071	-	-	151,071
Fundraising	<u>404,408</u>	<u>-</u>	<u>-</u>	<u>404,408</u>
Total expenses	<u>4,665,159</u>	<u>-</u>	<u>-</u>	<u>4,665,159</u>
Change in net assets from operations	(606,802)	(13,991)	-	(620,793)
Investment income	70,927	-	-	70,927
Net realized gains on investments	141,573	-	-	141,573
Net unrealized gains on investments	<u>75,477</u>	<u>-</u>	<u>-</u>	<u>75,477</u>
Change in net assets	<u>(318,825)</u>	<u>(13,991)</u>	<u>-</u>	<u>(332,816)</u>
Net assets, beginning of period	<u>2,125,438</u>	<u>49,248</u>	<u>263,834</u>	<u>2,438,520</u>
Net assets, end of period	<u>\$ 1,806,613</u>	<u>\$ 35,257</u>	<u>\$ 263,834</u>	<u>\$ 2,105,704</u>

See accompanying notes to financial statements.

# AMIGOS DE LAS AMÉRICAS, INC.

## Statement of Functional Expenses Year Ended December 31, 2013

	Operating Programs	Administrative	Fundraising	Total
Volunteer travel	\$ 547,201	\$ -	\$ -	\$ 547,201
Field staff surveys	31,339	-	-	31,339
Field program and supplies	615,168	-	-	615,168
Youth ambassador program	74,049	-	-	74,049
Scholarships	74,214	-	-	74,214
Gateway city coordination	27,210	-	-	27,210
Volunteer short term health insurance	35,205	-	-	35,205
International staff travel	54,447	-	-	54,447
Field staff travel	156,192	-	-	156,192
Field staff administrative cost	99,583	-	-	99,583
Field staff training	74,238	-	-	74,238
Field trips	14,442	-	-	14,442
Board, chapter functions and workshops	93,363	-	-	93,363
Vets discount	3,650	-	-	3,650
Volunteer training materials	41,498	-	-	41,498
Volunteer administrative supplies	6,226	-	-	6,226
Correspondent volunteer training	28,384	-	-	28,384
Chapter assistance	28,181	-	-	28,181
Annual report	5,950	-	-	5,950
Promotion and recruitment	44,482	-	-	44,482
Recruiting materials	12,663	-	-	12,663
Recruiting travel	4,235	-	-	4,235
Campus ads and campus representatives	2,644	-	-	2,644
Entre Amigos	11,183	-	-	11,183
Direct mail appeal	-	-	28,211	28,211
Development software and support	-	-	84,434	84,434
Development travel and cultivation	-	-	1,335	1,335
Salaries	1,236,381	58,183	160,002	1,454,566
Payroll tax	90,855	4,276	11,758	106,889
Contract labor	80,467	5,029	15,087	100,583
Group insurance	24,656	1,160	3,191	29,007
General insurance	20,468	963	2,649	24,080
Telephone and postage	59,083	2,780	7,646	69,509
Other expenses	98,401	4,631	12,735	115,767
Professional fees	115,544	6,023	30,116	151,683
Interest	31,499	1,482	4,076	37,057
Maintenance building	15,832	745	2,049	18,626
Maintenance equipment	58,723	2,763	7,600	69,086
Utilities	22,853	1,075	2,957	26,885
Depreciation	46,350	2,181	5,998	54,529
Mental health and other consultants	122,821	28,073	24,564	175,458
President transition funds and executive search	-	31,707	-	31,707
<b>Total</b>	<b><u>\$ 4,109,680</u></b>	<b><u>\$ 151,071</u></b>	<b><u>\$ 404,408</u></b>	<b><u>\$ 4,665,159</u></b>

See accompanying notes to financial statements.

# AMIGOS DE LAS AMÉRICAS, INC.

## Statement of Cash Flows Year Ended December 31, 2013

Cash flows from operating activities:	
Change in net assets	\$ (332,816)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	54,529
Realized gains on investments	(141,573)
Unrealized gains on investments	(75,477)
Changes in operating assets and liabilities:	
Government grants receivable	(41,509)
Receivables	384,847
Prepaid expenses and other assets	10,013
Accounts payable and accrued expenses	52,907
Advances from AMIGOS chapters	(36,974)
Deferred revenue	(553,361)
Net cash used by operating activities	<u>(679,414)</u>
Cash flows from investing activities:	
Proceeds from sales of investments	2,434,131
Purchases of investments	(1,608,701)
Purchases of property and equipment	(2,945)
Net cash provided by investing activities	<u>822,485</u>
Cash flows from financing activities:	
Repayments of line of credit	(115,000)
Repayments of note payable	(19,170)
Net cash used by financing activities	<u>(134,170)</u>
Net increase in cash and cash equivalents	8,901
Cash and cash equivalents, beginning of year	<u>103,550</u>
Cash and cash equivalents, end of year	<u><u>\$ 112,451</u></u>
Supplemental disclosures of cash flow information:	
Cash paid during the year for interest	<u><u>\$ 27,205</u></u>

See accompanying notes to financial statements.



# AMIGOS DE LAS AMÉRICAS, INC.

## Notes to Financial Statements December 31, 2013

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### Note 1 - Description of Organization

Amigos de las Américas, Inc. (AMIGOS) is a privately funded organization incorporated in Texas that builds partnerships to empower young leaders, advance community development, and strengthen multi-cultural understanding in the Americas.

The national headquarters in Houston plans and implements summer field projects in Latin America and provides materials and support to 26 chapters for volunteer recruitment and training. In addition, there is a correspondent volunteer training program that also allows young people from across the United States to participate. Except for the professional staff in Houston, most persons connected with AMIGOS are volunteers.

AMIGOS is supported primarily by contributions from corporations, foundations and individuals.

### Note 2 - Summary of Significant Accounting Policies

#### Basis of Presentation

AMIGOS's financial statements have been prepared on the accrual basis of accounting in accordance with Financial Accounting Standards Board, *Financial Statements of Not-for-Profit Organizations*. AMIGOS is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of AMIGOS and changes therein are classified and reported as follows:

- Unrestricted - net assets that are not subjected to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.
- Temporarily restricted - net assets subject to donor-imposed stipulations that may or will be met either by actions of AMIGOS and/or passage of time. This classification includes contributions, underwriting, and unconditional promises to give for which the ultimate purpose of the proceeds is not permanently restricted.
- Permanently restricted - net assets subject to donor imposed stipulations that they be maintained permanently by AMIGOS. Generally, the donors of these assets permit AMIGOS to use all of, or part of, the income earned on the related investments for specific purposes, usually for scholarships to AMIGOS volunteers in need of financial assistance.

Revenue is reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are generally reported as decreases in unrestricted net assets.

# AMIGOS DE LAS AMÉRICAS, INC.

## Notes to Financial Statements December 31, 2013

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### Note 2 - Summary of Significant Accounting Policies (Continued)

#### Recent Accounting Pronouncements

AMIGOS has adopted all recently issued accounting pronouncements that were effective as of the date of these financial statements. The adoption of any accounting pronouncements not yet effective is not anticipated to have a material effect on the financial position or results of operations of AMIGOS. AMIGOS has not elected early implementation of any pronouncements.

#### Revenue Recognition

AMIGOS records contributions and revenue on an accrual basis. AMIGOS records revenue from the following types of contributions, when they are received unconditionally, at their fair value: cash, promises to give, certain contributed services, and gifts of long-lived and other assets. Conditional contributions are recognized as revenue when the conditions on which they depend have been substantially met.

#### Cash and Cash Equivalents

For cash flow purposes, AMIGOS considers all highly liquid investment instruments with a maturity of less than three months at the date of purchase to be cash equivalents. Cash equivalents held for investment purposes in money market accounts are classified as investments on the statement of financial position.

#### Chapter Receivables

AMIGOS chapter's receivables reflect reimbursable expenses.

#### Investments

Investments are recorded at fair value. Investment income is reported in the statement of activities as changes in net assets as an increase in unrestricted net assets unless the use of the income is limited by donor-imposed restrictions.

#### Donated Materials

Donated materials are reflected as contributions in the accompanying financial statements at their estimated fair values at date of receipt.

#### Property and Equipment

Property and equipment are recorded at cost, if purchased and fair value at the date of gift, if donated. Depreciation is computed using the straight-line method over estimated useful lives of three to ten years for furniture, fixtures and equipment and 20 years for the building and improvements.

# AMIGOS DE LAS AMÉRICAS, INC.

## Notes to Financial Statements December 31, 2013

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### Note 2 - Summary of Significant Accounting Policies (Continued)

#### Contributions

Contributions are recorded as revenue at fair value when an unconditional commitment is received from the donor. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases these net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the entity reports the support as unrestricted.

#### Income Taxes

AMIGOS is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and contributions to it are tax deductible within the limitations prescribed by the Code. AMIGOS files annual federal information returns. In accordance with FASB ASC 740, AMIGOS records charges for uncertain tax positions when they are considered probable. Based on its evaluation, AMIGOS has concluded that there are no significant uncertain tax positions requiring recognition in the financial statements. AMIGOS's evaluation was performed for tax periods 2010 through 2013. AMIGOS is subject to routine examinations of its returns; however, there are no examinations for any tax periods currently in progress. AMIGOS is no longer subject to income tax examinations by taxing authorities for the years before 2010.

#### Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, the amounts of reported revenues and expenses, and the allocation of expenses among various programs. Accordingly, actual results could differ from those estimates.

#### Functional Allocation of Expenses

The expenses of providing the various programs and activities have been summarized on a functional basis according to the purpose for which the expenses were paid. Certain expenses, which pertain to more than one purpose, were allocated among the various functions based upon their estimated use.

**AMIGOS DE LAS AMÉRICAS, INC.**

**Notes to Financial Statements  
December 31, 2013**

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**Note 3 - Investments**

Investments are stated at fair value and consist of the following at December 31, 2013.

Corporate stocks	\$ 1,088,624
Fixed income government bonds	152,793
Fixed income corporate bonds	557,824
Money market funds and cash	<u>93,692</u>
Total	<u>\$ 1,892,933</u>

A summary of investment income consists of the following at December 31, 2013:

Interest and dividends	\$ 70,927
Net unrealized gains on investments	75,477
Net realized gains on investments	141,573
Advisory fees	<u>(17,845)</u>
Total	<u>\$ 270,132</u>

**Note 4 - Property and Equipment**

Property and equipment consists of the following at December 31, 2013:

Land	\$ 409,722
Building and improvements	366,129
Furniture, fixtures and equipment	<u>652,754</u>
Total property and equipment	1,428,605
Less: accumulated depreciation	<u>(823,191)</u>
Property and equipment, net	<u>\$ 605,414</u>

Depreciation expense was \$54,529 for the year ended December 31, 2013.

**Note 5 - Advances from AMIGOS Chapters**

AMIGOS pays interest to its chapters on amounts received in excess of estimated annual fees based on the number of chapter participants in the program. Interest paid is based on the rate that AMIGOS receives on funds invested in money market accounts with its bank which is equal to the published Prime Rate by the Wall Street Journal at the end of each month.

# AMIGOS DE LAS AMÉRICAS, INC.

## Notes to Financial Statements December 31, 2013

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### Note 6 - Note Payable

Note payable consists of a note with an original balance of \$216,563 dated September 3, 2010, and is secured by land and improvements. The note is payable in quarterly payments of \$6,913 including principal and interest through September 3, 2020, at which time the principal balance is due. The interest rate is fixed at 5.00% and the outstanding balance at December 31, 2013, is \$157,590 with maturities summarized as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2014	\$ 27,652
2015	27,652
2016	27,652
2017	27,652
2018	27,652
Thereafter	<u>19,330</u>
Total	<u>\$ 157,590</u>

### Note 7 - Fair Value Measurements

Accounting principles generally accepted in the United States of America require that certain assets and liabilities be reported at fair value and establishes a hierarchy that prioritizes inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the reporting date.

Certain of AMIGOS's financial assets are measured at fair value on a recurring basis. The three levels of the fair value hierarchy are as follows:

- *Level 1* - Quoted prices in active markets for identical assets or liabilities as of the reporting date.
- *Level 2* - Pricing inputs other than quoted prices included in Level 1, which are either directly observable or that can be derived or supported from observable data as of the reporting date.
- *Level 3* - Pricing inputs include those that are significant to the fair value of the financial asset or financial liability and are generally unobservable.

# AMIGOS DE LAS AMÉRICAS, INC.

## Notes to Financial Statements December 31, 2013

### Note 7 - Fair Value Measurements (Continued)

Financial instruments measured at fair value on a recurring basis at December 31, 2013 were considered Level 1 as follows:

Money market funds	\$ 93,692
Corporate stocks:	
Industrials	125,998
Consumer discretionary	109,974
Consumer staples	89,539
Energy	122,722
Financials	104,365
Materials	18,870
Information technology	177,646
Telecommunication	17,936
Healthcare	114,430
International equity funds	106,783
Small cap equity funds	<u>100,361</u>
Total corporate stocks	1,088,624
Fixed income bonds:	
U.S. Treasury/ Agency bonds	152,793
Corporate bonds	<u>557,824</u>
Total fixed income bonds	<u>710,617</u>
Total assets at fair value	<u>\$ 1,892,933</u>

Corporate stocks, corporate bonds and U.S. Government agency obligations are valued at the closing price reported on the active market at year end on which the individual securities are traded. Money market funds are valued at year end cost which approximates market value.

The inputs or methodology used to measure investments are not necessarily indicative of the risk of investing in a particular security. Investments are exposed to various risks such as interest rate, market and credit risks. Because of these risks, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the statement of financial position and statement of activities.

### Note 8 - Compensated Absences

AMIGOS provides employees with paid vacation. Vacation does not accrue from year to year. No more than five (5) days of vacation may be carried over. Accrued vacation hours are payable upon termination. AMIGOS had accrued approximately \$18,000 at December 31, 2013 related to earned vacation.

AMIGOS DE LAS AMÉRICAS, INC.

Notes to Financial Statements  
December 31, 2013

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**Note 9 - Employee Benefit Plan**

AMIGOS maintains a tax deferred annuity plan that qualifies under section §403(b) of the Internal Revenue Code. The plan is an arrangement whereby an amount to be determined year-to-year at the employer's discretion is paid to an annuity contract owned by the employee. AMIGOS contributed \$45,071 in 2013, net of forfeitures, accordingly.

**Note 10 - Temporarily Restricted Net Assets**

As of December 31, 2013 there were \$35,257 temporarily restricted net assets. Restricted net assets are for use in subsequent fiscal years and upon satisfaction of donor-imposed stipulations.

**Note 11 - Net Assets Released From Restrictions**

Net assets of \$18,991 were released from donor restrictions during the year ended December 31, 2013 by incurring expenses satisfying grant restrictions and time restrictions specified by donors.

**Note 12 - Permanently Restricted Net Assets**

Permanently restricted net assets consist of the following at December 31, 2013:

Carl C. Cook Memorial Fund	\$ 5,018
Scott L. Foster and Kathy Foster Memorial Fund	6,047
Andrew Daher Scholarship Fund	13,794
Richard de Saint Phalle Memorial Fund	14,926
Marian and John Marshall Scholarship Fund	15,182
Dr. Phil Johnson Memorial Fund	59,607
Carol Elizabeth Young Foundation	129,036
Janet E. Abernethy Leadership Fund	<u>20,224</u>
Total	<u>\$ 263,834</u>

Through the years, AMIGOS has received restricted funds from different donors that are intended to provide volunteers with an opportunity to participate in the various programs offered by AMIGOS. The criteria to award these scholarships are specifically determined by the donor, such as geographic location, volunteer origin and ethnicity. The Board of Directors of AMIGOS has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, AMIGOS classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

# AMIGOS DE LAS AMÉRICAS, INC.

## Notes to Financial Statements December 31, 2013

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### Note 12 - Permanently Restricted Net Assets (Continued)

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by AMIGOS in a manner consistent with the standard of prudence prescribed by TUPMIFA. Any amount remaining is classified as unrestricted net assets. During the year ended December 31, 2013, AMIGOS awarded scholarships as requested by the donor.

In accordance with TUPMIFA, AMIGOS considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of AMIGOS and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of AMIGOS
- The investment policies of AMIGOS

AMIGOS has adopted a policy that the maximum distribution from the endowment fund each year is 4%. The distribution percentage is a function of a three-year average (based on the three preceding years ending March 31) of the market value of the endowment funds. In establishing this policy, AMIGOS considered the long-term expected return on its endowment. No appropriations have been approved from the corpus of the endowment since its inception.

Endowment funds are maintained in an investment account which is managed by an independent financial firm that follows guidance provided in an investment policy approved by the Board of Directors. AMIGOS has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

To satisfy its long-term rate-of-return objectives, AMIGOS relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). AMIGOS targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or TUPMIFA requires AMIGOS to retain as a fund of perpetual duration. Deficiencies of this nature would be reported in unrestricted net assets as an aggregate deficiency of endowment funds.



**AMIGOS DE LAS AMÉRICAS, INC.**

**Notes to Financial Statements  
December 31, 2013**

**Note 12 - Permanently Restricted Net Assets (Continued)**

Endowment funds by net asset classification are as follows:

Permanently restricted net assets	\$ 263,834
Unrestricted net assets - aggregate depreciation of endowment funds	<u>(35,168)</u>
Total endowment net assets	<u>\$ 228,666</u>

Changes in endowment funds for the year ended December 31, 2013 are as follows:

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, December 31, 2012	\$ 38,325	\$ 263,834	\$ 302,159
Net depreciation of investments	<u>(73,493)</u>	<u>          </u>	<u>(73,493)</u>
Endowment net assets, December 31, 2013	<u>\$ (35,168)</u>	<u>\$ 263,834</u>	<u>\$ 228,666</u>

Funds with deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires AMIGOS to retain as a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, deficiencies of this nature are reported in unrestricted net assets were \$73,493 as of December 31, 2013. These deficiencies resulted from appropriations for operations that was deemed prudent by the Board of Directors.

**Note 13 - Leases**

AMIGOS leases certain office equipment under various operating lease agreements expiring through 2015. Rental expense for the year ended December 31, 2013 was \$26,314. Minimum future lease commitments under operating leases at December 31, 2013 are as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2014	\$ 20,683
2015	5,849
2016	4,842
2017	<u>3,631</u>
Total	<u>\$ 35,005</u>

**AMIGOS DE LAS AMÉRICAS, INC.**

**Notes to Financial Statements  
December 31, 2013**

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**Note 14 - Subsequent Events**

Management has evaluated subsequent events through July 15, 2014, the date which the financial statements were available to be issued. Management has determined that there are no subsequent events requiring disclosure in the financial statements.