

INTERNATIONAL HOUSING COALITION

FINANCIAL STATEMENTS

SEPTEMBER 30, 2015

KOSITZKA, WICKS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



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KOSITZKA, WICKS & COMPANY
Certified Public Accountants

Independent Accountant's Review Report

To the Board of Directors
International Housing Coalition

We have reviewed the accompanying financial statements of **International Housing Coalition** (a nonprofit organization), which comprise the statement of financial position as of September 30, 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Kositzka, Wicks and Company

Alexandria, Virginia
March 15, 2016

International Housing Coalition

Statement of Financial Position September 30, 2015

Assets

Current assets

Cash	\$	<u>53,190</u>
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Total assets	\$	<u><u>53,190</u></u>
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Liabilities and net assets

Current liabilities

Accounts payable	\$	5,050
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Net assets

Unrestricted		<u>48,140</u>
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Total liabilities and net assets	\$	<u><u>53,190</u></u>
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The accompanying independent accountant's review report and notes are an integral part of the financial statements.

International Housing Coalition

Statement of Activities for the year ended September 30, 2015

	Unrestricted and Total
Support	
Grants and contributions	\$ 120,231
Membership dues	6,781
In-kind donations	32,963
Interest income	52
Total support	<u>160,027</u>
Expenses	
Program services	122,300
Management and general	20,845
Fundraising	8,713
Total expenses	<u>151,858</u>
Change in net assets	8,169
Net assets, beginning of year	<u>39,971</u>
Net assets, end of year	<u><u>\$ 48,140</u></u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

International Housing Coalition

Statement of Functional Expenses for the year ended September 30, 2015

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Advertising	\$ 44	\$ 3	\$ 2	\$ 49
Bank charges	-	21	-	21
Communications	1,864	59	39	1,962
Conferences and seminars	3,672	116	77	3,865
Consultants	4,986	-	-	4,986
Contract staff	81,540	9,593	4,796	95,929
Dues and subscriptions	2,369	184	79	2,632
Insurance	-	2,437	-	2,437
Office supplies	57	2	-	59
Other expenses	105	3	2	110
Postage and delivery	45	5	3	53
Printing and reproduction	233	18	8	259
Professional fees - accounting	1,800	1,800	400	4,000
Travel	2,307	-	-	2,307
Website	204	11	11	226
	<u>99,226</u>	<u>14,252</u>	<u>5,417</u>	<u>118,895</u>
In-kind donations	<u>23,074</u>	<u>6,593</u>	<u>3,296</u>	<u>32,963</u>
Total expenses	<u>\$ 122,300</u>	<u>\$ 20,845</u>	<u>\$ 8,713</u>	<u>\$ 151,858</u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

International Housing Coalition

Statement of Cash Flows for the years ended September 30, 2015

Cash flows from operating activities

Change in net assets	\$ 8,169
Adjustments to reconcile change in net assets to net cash provided by operating activities-	
Accounts payable	2,591
Net cash provided by operating activities	<u>10,760</u>

Net change in cash 10,760

Cash, beginning of year 42,430

Cash, end of year \$ 53,190

Supplemental disclosure of cash flow information

Cash paid for interest	<u>\$ -</u>
Income taxes paid	<u><u>\$ -</u></u>

The accompanying independent auditor's report and notes are an integral part of the financial statements.

International Housing Coalition

Notes to Financial Statements September 30, 2015

1. Organization and purpose

The International Housing Coalition (IHC) was incorporated in 2005 as a nonprofit organization. IHC was organized to promote the goal of “Housing for All” as an essential element to ending poverty worldwide. IHC works to restore housing to a position of importance and priority on the world development agenda. IHC’s main sources of support include contributions from sponsoring organizations, grants, in-kind donations, membership dues and interest income.

2. Significant accounting policies

Basis of accounting

International Housing Coalition’s policy is to prepare its financial statements on the accrual basis of accounting. Accordingly, revenues are recorded when earned and expenses are recorded when incurred. IHC reports contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose restriction is accomplished, temporarily restricted assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Financial statement presentation

IHC 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. At September 30, 2015 IHC had no temporarily or permanently restricted net assets.

In-kind donations

A substantial number of volunteers donate time to IHC. The in-kind donations are reflected in the financial statements since the services require specialized skills as defined by U.S. generally accepted accounting principles and are an integral part of the operation of IHC. In-kind donations are recorded as revenue and expense at an estimate of their fair market value. In-kind donations are detailed at Note 4 of these financial statements.

Cash

Cash consists of cash held in checking accounts. IHC maintains its cash in bank accounts which, at times, may exceed federally insured insurance corporation (FDIC) limits. FDIC insurance on interest bearing accounts is \$250,000 per depositor, per insured bank. On September 30, 2015, IHC’s account was not in excess of FDIC insurance limits.

Website

In accordance with generally accepted accounting principles, costs incurred to plan the website were expensed as incurred while costs incurred to develop the infrastructure and graphics of the website were capitalized. All costs to operate the site are expensed as incurred. The capitalized costs were amortized over 36 months, see additional information in Note 3.

See independent accountant’s review report

International Housing Coalition

Notes to Financial Statements September 30, 2015

2. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 classification of expenses

The costs of providing the programs and services are summarized on a functional basis in the accompanying financial statements. Accordingly, certain costs have been allocated among the programs and services benefited. Expenses have been allocated between the program, management and general and fundraising function based on a combination of specific identification and allocation by management and general.

Fair value of financial assets and liabilities

Financial assets with carrying values approximating fair value include cash. Financial liabilities with carrying values approximating fair value include accounts payable. The carrying value of these financial assets and liabilities approximates fair value due to their short maturities and any associated interest rates approximate current market rates.

Income taxes

IHC is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as an organization that is not a private foundation. For the year ended September 30, 2015, IHC did not have any "unrelated business income" subject to income taxes. IHC has elected to report lobbying expenditures under IRC 501(h). IHC did not have any excess lobbying expenditures as calculated on Schedule C of the Form 990. As a result, IHC did not incur any liability for excise taxes. Accordingly, no provision for income taxes has been included in these financial statements.

IHC is subject to taxation in the U.S. and a small number of state and local jurisdictions. The material jurisdictions subject to potential examination by taxing authorities include the United States and the District of Columbia. IHC's Form 990 is subject to potential examination by the IRS. Management does not believe that the ultimate outcome of any future examinations of open tax years will have a material impact on IHC's results of operations. Tax years that remain subject to examination by the IRS are for the fiscal years ended September 30, 2012 through 2015.

See independent accountant's review report

International Housing Coalition

Notes to Financial Statements September 30, 2015

3. Website

A summary of the website is as follows for the year ended September 30, 2015:

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Amortization expense</u>	<u>Useful life (years)</u>
Website	<u>\$ 10,074</u>	<u>\$ 10,074</u>	<u>\$ -</u>	3

4. In-kind donations

International Housing Coalition's operations are facilitated through the donated time of professional consultants. Additionally, the executive director donates time in excess of the time for which they are paid. IHC records the value of their donated services in the financial statements, which is in accordance with U.S. generally accepted accounting principles. The majority of the donated services were for program, policy and administrative matters including developing materials and policies for IHC, planning and producing research papers to further the cause of IHC, and networking with other organizations. For the year ended September 30, 2015 total volunteer hours donated to IHC were approximately 584. These volunteer services were valued at market rates ranging from \$50 to \$63 per hour depending on the level of skill and expertise of the donor. The rates were based on the consultant's normal hourly rates. In-kind donations consisted of donated services of \$32,963 for the year ended September 30, 2015.

5. Rent and administrative support

Habitat for Humanity International donates office space and equipment for IHC's operations. The term of the agreement is automatically renewed for successive twelve month periods until terminated by either party.

6. Subsequent events

IHC assessed events occurring subsequent to September 30, 2015 through March 15, 2016, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to or disclosure in the financial statements.

See independent accountant's review report