

IHC GLOBAL

FORMERLY KNOWN AS:
INTERNATIONAL HOUSING COALITION

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016 AND 2015

KOSITZKA, WICKS & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS



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Certified Public Accountants

Independent Accountant's Review Report

To the Board of Directors
IHC Global

We have reviewed the accompanying financial statements of **IHC Global** (a nonprofit organization), formerly known as International Housing Coalition, which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years 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 engagements 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 reviews, 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
January 27, 2017

IHC Global
Formerly known as International Housing Coalition

Statements of Financial Position
September 30,

	2016	2015
Assets		
Current assets		
Cash	\$ 57,524	\$ 53,190
Prepaid expenses	<u>1,368</u>	<u>-</u>
	58,892	53,190
Website, net of amortization	<u>6,000</u>	<u>-</u>
Total assets	<u><u>\$ 64,892</u></u>	<u><u>\$ 53,190</u></u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 6,300	\$ 5,050
Net assets		
Unrestricted	<u>58,592</u>	<u>48,140</u>
Total liabilities and net assets	<u><u>\$ 64,892</u></u>	<u><u>\$ 53,190</u></u>

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

IHC Global
Formerly known as International Housing Coalition

Statements of Activities for the years ended September 30,	2016	(Restated) 2015
	<u>Unrestricted and Total</u>	<u>Unrestricted and Total</u>
Support		
Grants and contributions	\$ 119,020	\$ 120,231
Membership dues	18,440	6,781
In-kind donations	124,300	54,963
Interest income	54	52
Total support	<u>261,814</u>	<u>182,027</u>
Expenses		
Program services	211,063	142,320
Management and general	34,516	22,165
Fundraising	5,783	9,373
Total expenses	<u>251,362</u>	<u>173,858</u>
Change in net assets	10,452	8,169
Net assets, beginning of year	<u>48,140</u>	<u>39,971</u>
Net assets, end of year	<u><u>\$ 58,592</u></u>	<u><u>\$ 48,140</u></u>

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IHC Global
Formerly known as International Housing Coalition

Statement of Functional Expenses
for the year ended September 30, 2016

	Program services	Management and general	Fundraising	Total
Amortization expense	\$ 675	\$ 53	\$ 22	\$ 750
Bank charges	-	262	-	262
Communications	1,125	35	24	1,184
Conferences and seminars	3,414	108	72	3,594
Consultants	17,350	-	-	17,350
Contract staff	71,992	8,470	4,235	84,697
Dues and subscriptions	518	40	17	575
Insurance	-	1,287	-	1,287
Office supplies	31	-	-	31
Other expenses	91	-	-	91
Postage and delivery	141	17	8	166
Printing and reproduction	295	23	10	328
Professional fees - accounting	3,217	3,218	715	7,150
Travel	9,207	-	-	9,207
Website	350	20	20	390
	<u>108,406</u>	<u>13,533</u>	<u>5,123</u>	<u>127,062</u>
In-kind donations - services	78,650	19,663	-	98,313
In-kind donations - rent	20,020	1,320	660	22,000
In-kind donations - travel	3,987	-	-	3,987
	<u>102,657</u>	<u>20,983</u>	<u>660</u>	<u>124,300</u>
Total expenses	<u>\$ 211,063</u>	<u>\$ 34,516</u>	<u>\$ 5,783</u>	<u>\$ 251,362</u>

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IHC Global
Formerly known as International Housing Coalition

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

	Program services	Management and general	Fundraising	Total
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 - services	23,074	6,593	3,296	32,963
In-kind donations - rent	20,020	1,320	660	22,000
	<u>43,094</u>	<u>7,913</u>	<u>3,956</u>	<u>54,963</u>
Total expenses	<u>\$ 142,320</u>	<u>\$ 22,165</u>	<u>\$ 9,373</u>	<u>\$ 173,858</u>

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IHC Global
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Statements of Cash Flows
for the years ended September 30,

	2016	2015
Cash flows from operating activities		
Change in net assets	\$ 10,452	\$ 8,169
Amortization expense	750	-
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities-		
Prepaid expenses	(1,368)	-
Accounts payable	1,250	2,591
Net cash provided by operating activities	<u>11,084</u>	<u>10,760</u>
Cash flows from investing activities		
Website costs	<u>(6,750)</u>	<u>-</u>
Net cash used in investing activities	(6,750)	-
Net change in cash	4,334	10,760
Cash, beginning of year	<u>53,190</u>	<u>42,430</u>
Cash, end of year	<u><u>\$ 57,524</u></u>	<u><u>\$ 53,190</u></u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

IHC Global

Formerly known as International Housing Coalition

Notes to Financial Statements

September 30, 2016 and 2015

1. Organization and purpose

The IHC Global, formerly known as International Housing Coalition, was incorporated in 2005 as a nonprofit organization. IHC Global was organized to promote the goal of “Housing for All” as an essential element to ending poverty worldwide. IHC Global works to restore housing to a position of importance and priority on the world development agenda. IHC Global’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

IHC Global’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 Global 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 Global 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, 2016 and 2015 IHC Global had no temporarily or permanently restricted net assets.

In-kind donations

A substantial number of volunteers donate time to IHC Global. The in-kind donations are reflected in the financial statements when the services require specialized skills as defined by U.S. generally accepted accounting principles and are an integral part of the operation of IHC Global. Qualifying 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. As explained in Note 4, there were also volunteers who dedicated time that did not meet the criteria for recognition in the financial statements.

Cash

Cash consists of cash held in checking accounts. IHC Global 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, 2016 and 2015, IHC Global’s accounts were not in excess of FDIC insurance limits.

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IHC Global
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Notes to Financial Statements
September 30, 2016 and 2015

2. Significant accounting policies (continued)

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.

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 and prepaid expenses. 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 Global 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 years ended September 30, 2016 and 2015, IHC Global did not have any "unrelated business income" subject to income taxes. IHC Global has elected to report lobbying expenditures under IRC 501(h). IHC Global did not have any excess lobbying expenditures as calculated on Schedule C of the Form 990. As a result, IHC Global did not incur any liability for excise taxes. Accordingly, no provision for income taxes has been included in these financial statements.

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IHC Global
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Notes to Financial Statements
September 30, 2016 and 2015

2. Significant accounting policies (continued)

Income taxes (continued)

IHC Global 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 Global'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 Global's results of operations. Tax years that remain subject to examination by the IRS are for the fiscal years ended September 30, 2013 through 2016.

Restatement of prior year financial statements

IHC Global has restated its previously issued financial statements for the year ended September 30, 2015 for matters related to the in-kind rent fair market value estimate. The statements of activities and functional expenses for the year ended September 30, 2015 have been restated to reflect the corrections. There was no change to net assets due to the correction. See Note 4 for details on in-kind rent.

3. Website

A summary of the website is as follows for the year ended September 30, 2016:

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Amortization expense</u>	<u>Useful life (years)</u>
Website	<u>\$ 6,750</u>	<u>\$ 750</u>	<u>\$ 750</u>	3

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

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IHC Global
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Notes to Financial Statements
September 30, 2016 and 2015

4. In-kind donations

IHC Global's operations are facilitated through the donated time of professional consultants. Additionally, the President and CEO donates time in excess of the time for which they are paid. IHC Global records the value of their donated services and travel in the financial statements, which is in accordance with U.S. generally accepted accounting principles. The majority of the donated services and travel were for program, policy and administrative matters including developing materials and policies for IHC Global, planning and producing research papers to further the cause of IHC Global, and networking with other organizations.

Many individuals volunteer their time and perform a variety of tasks that assist IHC Global. For the years ended September 30, 2016 and 2015 total volunteer hours donated to IHC Global were approximately 445 and 584, respectively. 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. No amounts have been recognized in the financial statements for these volunteer hours because they do not meet the criteria for recognition.

Habitat for Humanity International donates office space and equipment for IHC Global's operations. The term of the agreement is automatically renewed for successive twelve month periods until terminated by either party. The estimated fair market value of the donated office space was \$22,000 for the years ended September 30, 2016 and 2015.

In-kind donations consisted of the following for the years ended September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
In-kind donations - services	\$ 98,313	\$ 32,963
In-kind donations - rent	22,000	22,000
In-kind donations - travel	3,987	-
	<u>\$ 124,300</u>	<u>\$ 54,963</u>

5. Subsequent events

IHC Global assessed events occurring subsequent to September 30, 2016 through January 27, 2017, 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