



**Report of Independent Auditors  
And Financial Statements for**

**METROPOLITAN HOUSING COALITION, INC.**

**December 31, 2018 and 2017**

**Amick  
& Company**

A Professional Service Corporation

CPAs / Consultants

**METROPOLITAN HOUSING COALITION, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Metropolitan Housing Coalition, Inc.  
Louisville, Kentucky

We have audited the accompanying financial statements of Metropolitan Housing Coalition, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses and cash flows for the years 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 of 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

To the Board of Directors  
Metropolitan Housing Coalition, Inc.  
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**Auditor's Responsibility (continued)**

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 Metropolitan Housing Coalition, Inc. as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Amick & Company*

Louisville, Kentucky  
August 12, 2019

**METROPOLITAN HOUSING COALITION, INC.**

**Statements of Financial Position**

**December 31, 2018 and 2017**

**ASSETS**

|                             | <u>2018</u>       | <u>2017</u>       |
|-----------------------------|-------------------|-------------------|
| <b>ASSETS</b>               |                   |                   |
| Cash                        | \$ 106,080        | \$ 122,695        |
| Certificates of Deposit     | 8,052             | 16,894            |
| Receivables                 | 20,470            | 16,063            |
| Notes Receivable            | 542,999           | 600,000           |
| Notes Receivable - Interest | -                 | 5,266             |
| Refundable Payroll Taxes    | -                 | 2,266             |
| Prepaid expenses            | 3,379             | 2,599             |
| Total Assets                | <u>680,980</u>    | <u>765,784</u>    |
| <b>TOTAL ASSETS</b>         | <u>\$ 680,980</u> | <u>\$ 765,784</u> |

**LIABILITIES AND NET ASSETS**

|   |                   |                   |
|---|-------------------|-------------------|
| <b>LIABILITIES</b>                      |                   |                   |
| Accounts payable                        | \$ 5,382          | \$ 938            |
| Accrued expenses                        | 512               | -                 |
| Notes payable                           | 615,632           | 703,682           |
| Total Liabilities                       | <u>621,526</u>    | <u>704,620</u>    |
| <b>NET ASSETS</b>                       |                   |                   |
| Without donor restrictions              | 47,002            | 48,713            |
| With donor restrictions                 | 12,452            | 12,452            |
| Total Net Assets                        | <u>59,454</u>     | <u>61,165</u>     |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <u>\$ 680,980</u> | <u>\$ 765,785</u> |

See accompanying notes.

**METROPOLITAN HOUSING COALITION, INC.**  
**Statements of Activities and Changes in Net Assets**  
**For the Years Ended December 31, 2018 and 2017**

| <u>Changes in Net Assets Without Donor Restrictions</u>         | <u>2018</u>      | <u>2017</u>      |
|---|------------------|------------------|
| <b>Earned Revenue</b>   |                  |                  |
| Program revenue   | \$ 16,223        | \$ 25,826        |
| Interest and investment income                                  | 28,400           | 22,181           |
| LAHTF reimbursements  | <u>199,014</u>   | <u>171,169</u>   |
| <b>Total Earned Revenue</b>                                     | <u>243,637</u>   | <u>219,176</u>   |
| <br>  |                  |                  |
| <b>Public / Private Support</b>                                 |                  |                  |
| Corporate and other private                                     | 27,250           | 20,500           |
| Local government  | 32,000           | 22,000           |
| Membership dues   | 52,987           | 55,073           |
| Annual meeting  | <u>32,330</u>    | <u>23,892</u>    |
| <b>Total Public/Private Support</b>                             | <u>144,567</u>   | <u>121,465</u>   |
| <b>Total Earned Revenue and Support</b>                         | <u>388,204</u>   | <u>340,641</u>   |
| <br>  |                  |                  |
| <b>Program Services</b>   |                  |                  |
| Programs and events   | 362,516          | 324,538          |
| Fundraising   | <u>14,308</u>    | <u>19,501</u>    |
| <b>Total Program Services</b>                                   | <u>376,824</u>   | <u>344,039</u>   |
| <br>  |                  |                  |
| <b>Supporting Services</b>                                      |                  |                  |
| Salaries and related expenses                                   | 1,201            | 4,628            |
| Administration  | 11,782           | 11,838           |
| Facilities  | <u>108</u>       | <u>337</u>       |
| <b>Total Supporting Services</b>                                | <u>13,091</u>    | <u>16,803</u>    |
| <b>Total Expenses</b>   | <u>389,915</u>   | <u>360,842</u>   |
| Increase (Decrease) in Net Assets<br>Without Donor Restrictions | (1,711)          | (20,201)         |
| <br>  |                  |                  |
| Increase (Decrease) in Net Assets<br>With Donor Restrictions    | -                | -                |
| <br>  |                  |                  |
| <b>NET ASSETS AT BEGINNING OF YEAR</b>                          | <u>61,165</u>    | <u>81,366</u>    |
| <br>  |                  |                  |
| <b>NET ASSETS AT END OF YEAR</b>                                | <u>\$ 59,454</u> | <u>\$ 61,165</u> |

See accompanying notes.

METROPOLITAN HOUSING COALITION, INC.  
 Statements of Functional Expenses  
 For the Years Ended December 31, 2018 and 2017

|                          | 2018                |                           |                  |                   |
|--------------------------|---------------------|---------------------------|------------------|-------------------|
|                          | Program<br>Services | Management<br>and General | Fundraising      | -<br>Total        |
| Compensation of Officers | \$ 64,287           | \$ 762                    | \$ 951           | \$ 66,000         |
| Other Salaries and Wages | 176,107             | 208                       | 5,672            | 181,987           |
| Employee Benefits        | 30,376              | 143                       | 1,690            | 32,209            |
| Payroll Taxes            | 18,916              | 88                        | 1,045            | 20,049            |
| Accounting               | -                   | 11,471                    | -                | 11,471            |
| Other Professional Fees  | 22,762              | 15                        | 172              | 22,949            |
| Office Expenses          | 4,238               | 53                        | 623              | 4,914             |
| Occupancy                | 8,672               | 108                       | 1,276            | 10,056            |
| Conferences and Meetings | 10,916              | -                         | -                | 10,916            |
| Interest                 | 6,675               | -                         | -                | 6,675             |
| Insurance                | 6,673               | 83                        | 981              | 7,737             |
| Other Administrative     | 12,894              | 160                       | 1,898            | 14,952            |
|                          | <u>\$ 362,516</u>   | <u>\$ 13,091</u>          | <u>\$ 14,308</u> | <u>\$ 389,915</u> |
| TOTALS                   | <u>\$ 362,516</u>   | <u>\$ 13,091</u>          | <u>\$ 14,308</u> | <u>\$ 389,915</u> |

|                          | 2017                |                           |                  |                   |
|--------------------------|---------------------|---------------------------|------------------|-------------------|
|                          | Program<br>Services | Management<br>and General | Fundraising      | -<br>Total        |
| Compensation of Officers | \$ 61,366           | \$ 2,239                  | \$ 1,987         | \$ 65,592         |
| Other Salaries and Wages | 155,105             | 1,307                     | 9,115            | 165,527           |
| Employee Benefits        | 32,219              | 758                       | 3,040            | 36,017            |
| Payroll Taxes            | 18,756              | 324                       | 1,302            | 20,382            |
| Accounting               | -                   | 11,164                    | -                | 11,164            |
| Other Professional Fees  | 17,427              | 49                        | 199              | 17,675            |
| Office Expenses          | 5,040               | 215                       | 861              | 6,116             |
| Occupancy                | 7,916               | 337                       | 1,353            | 9,606             |
| Conferences and Meetings | 8,359               | -                         | -                | 8,359             |
| Interest                 | 8,731               | -                         | -                | 8,731             |
| Insurance                | 4,101               | 175                       | 701              | 4,977             |
| Other Administrative     | 5,518               | 235                       | 943              | 6,696             |
|                          | <u>\$ 324,538</u>   | <u>\$ 16,803</u>          | <u>\$ 19,501</u> | <u>\$ 360,842</u> |
| TOTALS                   | <u>\$ 324,538</u>   | <u>\$ 16,803</u>          | <u>\$ 19,501</u> | <u>\$ 360,842</u> |

See accompanying notes.



**METROPOLITAN HOUSING COALITION, INC.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2018 and 2017**

**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS**

|  | <u>2018</u>           | <u>2017</u>           |
|--|-----------------------|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                       |                       |
| Increase (decrease) in net assets  | \$ (1,711)            | \$ (20,201)           |
| Adjustments to reconcile increase in net assets<br>to net cash provided by operating activities: |                       |                       |
| (Increase) decrease in operating assets  |                       |                       |
| Receivables  | 859                   | (4,450)               |
| Prepaid expenses   | 1,486                 | (1,641)               |
| Increase (decrease) in operating liabilities   |                       |                       |
| Accounts payable   | 4,444                 | 800                   |
| Accrued expenses   | <u>512</u>            | <u>-</u>              |
| <br><b>NET CASH PROVIDED BY<br/>(USED IN) OPERATING ACTIVITIES</b>                               | <br><u>5,590</u>      | <br><u>(25,492)</u>   |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                       |                       |
| Net certificates of deposit redeemed (purchased)   | 8,844                 | (12)                  |
| New notes awarded  | (120,000)             | -                     |
| Principal payments received on notes receivable  | <u>177,001</u>        | <u>143,944</u>        |
| <br><b>NET CASH PROVIDED BY<br/>(USED IN) INVESTING ACTIVITIES</b>                               | <br><u>65,845</u>     | <br><u>143,932</u>    |
| <br><b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                       |                       |
| Increase (decrease) in notes payable   | <u>(88,050)</u>       | <u>(94,806)</u>       |
| <br><b>NET CASH PROVIDED BY<br/>(USED IN) FINANCING ACTIVITIES</b>                               | <br><u>(88,050)</u>   | <br><u>(94,806)</u>   |
| <br><b>NET INCREASE (DECREASE) IN<br/>CASH AND CASH EQUIVALENTS</b>                              | <br>(16,615)          | <br>23,634            |
| <br><b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>  | <br><u>122,695</u>    | <br><u>99,061</u>     |
| <br><b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>  | <br><u>\$ 106,080</u> | <br><u>\$ 122,695</u> |

See accompanying notes.

**METROPOLITAN HOUSING COALITION, INC .**  
**Notes to Financial Statements**

**NOTE 1. NATURE OF ACTIVITIES**

**Mission**

The Metropolitan Housing Coalition exists to bring together this community's private and public resources to provide equitable, accessible housing opportunities for all people through advocacy, public education and support for affordable housing providers.

**Organization**

The Metropolitan Housing Coalition, Inc. is a not-for-profit corporation organized in 1991 under the laws of the Commonwealth of Kentucky. The mission of the Coalition is to coalesce Louisville, Kentucky's public and private resources to provide equitable, accessible housing choices for all people through advocacy, public education and support for affordable housing providers.

The Metropolitan Housing Coalition is the united voice for affordable housing advocacy in our region. Our membership list is a powerful one, with over 100 organizational members, including financial institutions, private and non-profit developers of affordable housing, social services providers, local government, labor unions and faith-based groups. MHC is also supported by more than 200 individual members, who help us to advocate for fair, safe, decent, and affordable housing for every member of our regional community.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Metropolitan Housing Coalition, Inc. (a corporation), is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements. Such principles require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and the disclosures of contingent assets and liabilities at the date of the financial statements and amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**METROPOLITAN HOUSING COALITION, INC .**  
**Notes to Financial Statements (Continued)**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation**

**Net assets without donor restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Metropolitan Housing Coalition , Inc.'s management and the board of directors.

**Net assets with donor restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Metropolitan Housing Coalition , Inc. or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

**Donor restricted contributions** are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

**Measure of operations**

The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to Metropolitan Housing Coalition , Inc.'s ongoing programs and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

**Use of estimates**

The preparation of financial statements in conformity with US GA AP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For the purpose of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**METROPOLITAN HOUSING COALITION, INC .**  
**Notes to Financial Statements (Continued)**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Promises To Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor -restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor -related support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 statements of activities as net assets released from restrictions .

**Income Taxes**

The Organization is a not -for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is not classified as a private foundation .

**Receivables**

Receivables consist of third party reimbursements . The Coalition estimates the amount to be collected based upon historical experience and management evaluation of outstanding receivables. There is no allowance for uncollectible accounts as of December 31, 201 8 and 201 7.

METROPOLITAN HOUSING COALITION, INC .  
Notes to Financial Statements (Continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Notes Receivable

Notes receivable represent amounts due to the Coalition for loans made to housing associations and other nonprofit entities for the acquisition, financing and production of housing to provide safe, decent and affordable housing to low-income residents of Kentucky. These loans have a 1% to 5% interest rate and a two to six year maturity date. A provision for loan losses is not considered necessary. (See Note 3).

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire the property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restriction when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

Contributed Services

The Organization receives contributed services from various companies. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in their operations. The value of these services has not been recorded.

Functional Cost Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Functional Expenses. Directly identifiable expenses are charged to programs and supporting services. Certain costs have been allocated among the programs and support services benefited based on management's estimate of employee hours devoted to each function.

**METROPOLITAN HOUSING COALITION, INC .**  
**Notes to Financial Statements (Continued)**

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Tax Status**

Metropolitan Housing Coalition , Inc. has been granted tax -exempt status under Section 501(a) of the Internal Revenue Code as described in Section 501(c)(4). Metropolitan Housing Coalition , Inc. has processes presently in place to ensure the maintenance of its tax -exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions . They are not classified as a private foundation.

**New Accounting Pronouncement**

On August 18, 2016, FASB issued ASU 2016 -14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not -for-Profit Entities . The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Metropolitan Housing Coalition , Inc. has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

**Reclassifications**

Certain prior year amounts have been reclassified to conform to the current year presentation.

**NOTE 3. LIQUIDITY AND AVAILABILITY**

The following represents Metropolitan Housing Coalition 's financial assets at December 31, 2018 and 2017:

|   |                   |                   |
|---|-------------------|-------------------|
| Financial assets at year end:   | <u>2018</u>       | <u>2017</u>       |
| Cash and cash equivalents   | \$ 114,132        | \$ 139,589        |
| Accounts receivable   | <u>20,470</u>     | <u>16,063</u>     |
| Financial assets available to meet general expenditures over the next twelve months | <u>\$ 134,602</u> | <u>\$ 155,652</u> |

**METROPOLITAN HOUSING COALITION, INC .**  
**Notes to Financial Statements (Continued)**

**NOTE 4. NOTES RECEIVABLE**

Notes receivable consists of the following:

| Lendee             | Date of Note | Maturity Date | Interest Rate | Balance           |                   |
|--------------------|--------------|---------------|---------------|-------------------|-------------------|
|                    |              |               |               | 2018              | 2017              |
| New Directions     | 6/30/2014    | 1/30/2019     | 4.00%         | 325,000           | 350,000           |
| The Housing Ptrshp | 4/22/2014    | 10/23/2020    | 5.00%         | 97,999            | 100,000           |
| Next Step Network  | 11/29/2018   | 11/29/2020    | 5.00%         | <u>120,000</u>    | <u>150,000</u>    |
|                    |              |               |               | <u>\$ 542,999</u> | <u>\$ 600,000</u> |

**NOTE 5. NOTES PAYABLE**

The Coalition borrows money from the Kentucky Housing Corporation through the Non-Profit Housing Productions and Repair Program (NHPR). The Coalition in turn loans this money to other housing associations and non-profit organizations. The Coalition receives 40% of the loan amount as an administrative fee. Maturity is 20 years with an interest rate of 1%, payable quarterly, with an annual principal payment of 5%, except for the 2009 and 2010 loans. These two loans also mature in 20 years with an interest rate of 1%; however, they have monthly principal and interest payments of \$995 and \$1,285, respectively.

| Date of Note | Original Commitment | Loan Number | Balance           |                   |
|--------------|---------------------|-------------|-------------------|-------------------|
|              |                     |             | 2018              | 2017              |
| 7/1/1999     | 278,040             | 8041        | \$ 11,159         | \$ 25,511         |
| 7/1/2000     | 119,250             | 8073        | -                 | 2,789             |
| 7/1/2001     | 214,500             | 8108        | 32,175            | 42,900            |
| 7/1/2003     | 108,750             | 8174        | 27,188            | 32,625            |
| 7/1/2004     | 36,000              | 8215        | 10,800            | 12,600            |
| 7/1/2005     | 177,000             | 8237        | 61,950            | 70,800            |
| 7/1/2006     | 223,200             | 8272        | 89,280            | 100,440           |
| 7/1/2007     | 174,948             | 8297        | 78,726            | 87,474            |
| 7/1/2009     | 216,388             | 8316        | 124,344           | 134,985           |
| 7/1/2010     | <u>279,451</u>      | 8345        | <u>180,010</u>    | <u>193,558</u>    |
|              | <u>\$ 1,827,527</u> |             | <u>\$ 615,632</u> | <u>\$ 703,682</u> |

**METROPOLITAN HOUSING COALITION, INC .**  
**Notes to Financial Statements (Continued)**

**NOTE 5. NOTES PAYABLE (continued)**

Maturities of notes payable are as follows:

|                |    |                |
|----------------|----|----------------|
| 2019           | \$ | 85,243         |
| 2020           |    | 74,084         |
| 2021           |    | 74,084         |
| 2022           |    | 63,359         |
| 2023 and after |    | <u>318,862</u> |
|                | \$ | <u>615,632</u> |

Interest expense on notes payable for the years ended December 31, 2018 and 2017 was \$6,675 and \$8,731, respectively.

**NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of endowment fund assets to be held indefinitely. The income is used to support general activities.

In 2011, Kentucky passed the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA eliminates the requirement to maintain the historic dollar value of donor -restricted endowments and instead focuses on donor intent and spending practices that are prudent for the uses, benefits, purposes and duration for which the endowment fund is established. The Coalition has elected to maintain the historical dollar amount of the endowment as permanently restricted net assets.

The current endowment balance is \$12,454. The Coalition is holding this money in a money market account and because the earnings are so small, the Coalition is including the earnings in unrestricted net assets (see Note 9).

The Coalition has not adopted a spending policy .

**NOTE 6. LEASE COMMITMENT**

The Coalition leases office space and equipment under month to month operating leases. Lease expense on office space for the years ended December 31, 2018 and 2017 was \$8,400, and \$7,950, respectively.



METROPOLITAN HOUSING COALITION, INC .  
Notes to Financial Statements (Continued)

NOTE 7. RETIREMENT PLAN

The Coalition sponsors a SEP -IRA for its employees. The plan covers all employees of the Coalition. Contributions to the plan for the years ended December 31, 2018 and 2017 amounted to \$ 5,107 and \$7,120, respectively.

NOTE 8. UNCERTAINTIES, CONTINGENCIES AND RISK

Concentration of Credit Risk

The Organization maintains its cash balances in various financial institutions. At times, the balance may exceed federally insured limits. The Organization has not experienced any losses in these accounts and management believes the Organization is not exposed to any significant risks on these bank balances.

Income Taxes

Management has concluded that any tax positions that would not meet the more-likely-than-not criterion of FASB ASC 740 -10 would be immaterial to the financial statements taken as a whole. Accordingly, the accompanying financial statements do not include any provision for uncertain tax positions, and no related interest or penalties have been recorded in the statement of activities or accrued in statement of financial position.

The Organization's federal income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those returns. In general, the federal income tax returns have a three year statute of limitations,

NOTE 9. SUBSEQUENT EVENTS

Subsequent events for the Organization have been considered through the date of the Independent Auditors' Report which represents the date which the financial statements were available to be issued.

Application to Modify Restrictions on Donated Funds

On March 4, 2019, the Organization applied to Jefferson Circuit Court to request that the Court modify the initial restrictions placed on the \$12,450 in endowment funds contributed to MHC in 2004 -2006 and permit such funds to be used for operating expenses in pursuit of MHC's charitable purposes. The Court approved the release of these funds on August 22, 2019.