

FOUNDATION FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2019 AND 2018

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	2
Statements of Activities	3-4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements.....	8-14

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Foundation for The Homeless, Inc.
Austin, Texas

We have audited the accompanying financial statements of Foundation for the Homeless, Inc. (a nonprofit organization) which comprise the statements of financial position as of December 31, 2019 and 2018, 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 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 Foundation For the Homeless, Inc. at December 31, 2019 and 2018, 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.

Gindler, Chappell, Morrison & Co., P.C.

Austin, Texas
June 24, 2020

FINANCIAL STATEMENTS

FOUNDATION FOR THE HOMELESS, INC.

STATEMENTS OF FINANCIAL POSITION

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 182,102	\$ 126,424
Investments	11,207	10,625
Grants and contracts receivable	119,988	87,043
Prepaid expenses	8,697	8,874
Security deposits	500	500
Total current assets	<u>322,494</u>	<u>233,466</u>
Fixed assets		
Furniture and equipment	2,810	1,550
Vans	169,459	169,459
Trailers	2,886	2,886
Less accumulated depreciation	<u>(162,422)</u>	<u>(156,023)</u>
Net fixed assets	<u>12,733</u>	<u>17,872</u>
Total assets	<u><u>\$ 335,227</u></u>	<u><u>\$ 251,338</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 6,900	\$ 14,751
Accrued payroll and related liabilities	<u>20,457</u>	<u>7,838</u>
Total current liabilities	<u>27,357</u>	<u>22,589</u>
Total liabilities	<u>27,357</u>	<u>22,589</u>
Net assets		
Without donor restrictions	294,024	202,124
With donor restrictions	<u>13,846</u>	<u>26,625</u>
Total net assets	<u>307,870</u>	<u>228,749</u>
Total liabilities and net assets	<u><u>\$ 335,227</u></u>	<u><u>\$ 251,338</u></u>

See accompanying Notes to the Financial Statements.

FOUNDATION FOR THE HOMELESS, INC.

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Grants and contracts	\$ 612,872	\$ 59,500	\$ 672,372
Contributions	96,308	6,920	103,228
Fund raising	142,358	-	142,358
Direct benefit to donors	(12,457)	-	(12,457)
Net fund raising	129,901	-	129,901
Investment income	3,531	-	3,531
Other miscellaneous income	3,913	-	3,913
Net assets released from donor imposed restrictions	79,199	(79,199)	-
Total revenues and other support	925,724	(12,779)	912,945
EXPENSES			
Program services			
Homeless assistance	706,885	-	706,885
Supporting services			
Management and general	68,105	-	68,105
Fund raising	58,834	-	58,834
Total expenses	833,824	-	833,824
CHANGE IN NET ASSETS (decrease)	91,900	(12,779)	79,121
NET ASSETS			
Beginning of year	202,124	26,625	228,749
End of year	\$ 294,024	\$ 13,846	\$ 307,870

See accompanying Notes to the Financial Statements.

FOUNDATION FOR THE HOMELESS, INC.

STATEMENTS OF ACTIVITIES - continued

Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Grants and contracts	\$ 660,383	\$ 51,500	\$ 711,883
Contributions	126,443	27,714	154,157
Fund raising	127,922	-	127,922
Direct benefit to donors	(11,267)	-	(11,267)
Net fund raising	116,655	-	116,655
Investment income	1,840	-	1,840
Other miscellaneous income	362	-	362
Net assets released from donor imposed restrictions	64,614	(64,614)	-
Total revenues and other support	970,297	14,600	984,897
EXPENSES			
Program services			
Homeless assistance	780,686	-	780,686
Supporting services			
Management and general	85,040	-	85,040
Fund raising	59,773	-	59,773
Total expenses	925,499	-	925,499
CHANGE IN NET ASSETS (decrease)	44,798	14,600	59,398
NET ASSETS			
Beginning of year	157,326	12,025	169,351
End of year	\$ 202,124	\$ 26,625	\$ 228,749

See accompanying Notes to the Financial Statements.

FOUNDATION FOR THE HOMELESS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	Program Services	Supporting Services		Total
		Management & General	Fund Raising	
EXPENSES				
Direct assistance	\$ 351,164	\$ -	\$ -	\$ 351,164
Personnel costs				
Salaries	195,173	33,406	21,685	250,264
Payroll taxes	18,765	3,212	2,084	24,061
Fringe benefits	16,490	2,822	1,832	21,144
Total personnel costs	<u>230,428</u>	<u>39,440</u>	<u>25,601</u>	<u>295,469</u>
Rent/utilities/maintenance	84,538	3,953	2,452	90,943
Contracted services	9,059	14,122	11,310	34,491
Insurance	14,923	539	538	16,000
Fundraising expenses	-	-	12,136	12,136
Office supplies	5,281	672	659	6,612
Bank fees	135	1,510	4,802	6,447
Depreciation	-	6,399	-	6,399
Telephone/internet	5,165	519	568	6,252
Miscellaneous	2,690	306	330	3,326
Printing	2,584	323	323	3,230
Memberships/fees/dues	918	220	115	1,253
Interest expense	-	102	-	102
Total expenses	<u>\$ 706,885</u>	<u>\$ 68,105</u>	<u>\$ 58,834</u>	<u>\$ 833,824</u>

See accompanying Notes to the Financial Statements.

FOUNDATION FOR THE HOMELESS, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - continued

Years Ended December 31, 2018

	Program Services	Supporting Services		Total
		Management & General	Fund Raising	
EXPENSES				
Direct assistance	\$ 426,110	\$ -	\$ -	\$ 426,110
Personnel costs				
Salaries	204,699	28,285	22,294	255,278
Payroll taxes	14,374	1,986	1,565	17,925
Fringe benefits	16,906	2,336	1,841	21,083
Total personnel costs	<u>235,979</u>	<u>32,607</u>	<u>25,700</u>	<u>294,286</u>
Rent/utilities/maintenance	80,697	3,465	2,844	87,006
Contracted services	1,150	21,719	13,337	36,206
Insurance	16,860	956	956	18,772
Fundraising expenses	-	-	8,638	8,638
Office supplies	5,070	2,957	634	8,661
Bank fees	-	1,831	5,752	7,583
Depreciation	-	18,389	-	18,389
Telephone/internet	8,673	1,688	877	11,238
Miscellaneous	836	123	104	1,063
Printing	4,256	532	800	5,588
Memberships/fees/dues	1,055	236	131	1,422
Interest expense	-	537	-	537
Total expenses	<u>\$ 780,686</u>	<u>\$ 85,040</u>	<u>\$ 59,773</u>	<u>\$ 925,499</u>

See accompanying Notes to the Financial Statements.

FOUNDATION FOR THE HOMELESS, INC.

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS PROVIDED BY (USED BY) OPERATING ACTIVITIES		
Change in net assets (decrease)	\$ 79,121	\$ 59,398
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain)/loss on investments	387	2,113
Depreciation	6,399	18,772
(Increase) decrease in operating assets:		
Receivables	(24,345)	(17,489)
Prepaid expenses	177	(3,172)
Security deposits	-	2,825
Other	(8,600)	-
Increase (decrease) in operating liabilities:		
Accounts payable	(7,851)	(4,984)
Accrued payroll and related liabilities	12,619	(3,990)
Net cash provided by (used by) operating activities	57,907	53,473
CASH FLOWS PROVIDED BY (USED BY) INVESTING ACTIVITIES		
Purchase of investments	(969)	(4,163)
Purchase of fixed assets	(1,260)	-
Net cash provided by (used by) investing activities	(2,229)	(4,163)
CASH FLOWS PROVIDED BY (USED BY) FINANCING ACTIVITIES		
Principal payments on long-term debt	-	(42,186)
Net cash provided by (used by) financing activities	-	(42,186)
NET INCREASE (DECREASE) IN CASH	55,678	7,124
CASH AND CASH EQUIVALENTS		
Beginning of year	126,424	119,300
End of year	\$ 182,102	\$ 126,424
Supplemental Information		
Interest paid	\$ 103	\$ 538

See accompanying Notes to the Financial Statements.

FOUNDATION FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Organization

Foundation for the Homeless, Inc. (FFH) was formed in 1989 to provide the central administration, coordination and planning required to mobilize faith-based and community resources in a spirit of compassion to restore hope and alleviate homelessness. FFH's initial program has evolved into the Feed My People program which now provides breakfast twice a week to individuals experiencing homelessness or difficulty in affordable breakfast options.

In 1993, Foundation for the Homeless added a focus of working with families who were in jeopardy of losing their homes or were already experiencing homelessness. Our family care programs have remained a critical part of our mission and we are recognized as the one organization in Austin that keeps families intact while in our programs.

Foundation for the Homeless was formed by members of Westlake Presbyterian Church and Westlake United Methodist Church and members of these congregations remain some of our strongest supporters. Numerous other faith communities have joined in supporting us along with many other individuals who recognize the importance of our work. FFH also receives significant support from public and private sector grants.

During 2019, the following programs were in place at Foundation for the Homeless:

FAMILY STABILITY

During 2018, FFH rebranded the work supported by their Family Rehousing Initiative (FRI) and Best Single Source Plus (BSS+) grants as Family Stability. Family Stability moves families experiencing homelessness into a shelter and focuses on eliminating the housing barriers that keep them from holding a lease in their own name. FFH depends on the support provided by our many donors and volunteers to supplement our grants designated for client assistance. For many clients, it is critical that we are able to spend "a bit more" than the grant allotted funds to give a client the best chance possible to achieve housing stability. Case management begins when a client enters our shelters and can continue for up to two years. We take pride in saying less than 7% of all clients who have received FFH services in the last two years have asked for any additional assistance from any of Austin's homeless service providers.

FEED MY PEOPLE

The Feed My People breakfast (FMP) is a volunteer driven program serving a nutritious, hot breakfast twice each week supplemented with ample servings of coffee, milk and orange juice. FMP typically serves 200 to 350 clients at each breakfast. The meals are underwritten by food donations from our faith community partners and a grant through The Emergency Food and Shelter Program which is administered by the United Way and funded by the Federal Emergency Management Agency (FEMA). We are also indebted to First United Methodist Church for their donation of space, utilities and administrative support.

Our volunteers serve eggs, sausage, biscuits and gravy at each breakfast. In addition, our clients are able to take advantage of the following opportunities:

- Hot showers with hygiene items provided
- Haircuts
- Eye care and eyeglass referrals
- Direct assistance in obtaining birth certificates, and I.D. cards needed for employment and housing
- Alcoholics Anonymous meetings held after each breakfast

FOUNDATION FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2019 and 2018

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

- Worship services led by pastors and lay leaders from First United Methodist Church
- Most importantly, our clients are provided a safe, inviting environment where they can enjoy fellowship with each other and our many volunteers

PLUS 1

FFH provides utility payment assistance for clients who are unable to pay their City of Austin utility bills through the City funded Plus 1 grant.

OTHER GRANT SUPPORT

Foundation for the Homeless benefits from a Capital Metro grant that is funded by the Federal Transportation Administration. This grant funding allows FFH to provide transportation services to families participating in the FRI shelter as well as maintenance and gas for these transportation vehicles. Additional grants were received from the Donald D. Hammill Foundation and the Religious Coalition to assist the homeless.

Finally, Foundation for the Homeless is forever thankful for the numerous individuals, faith communities and business partners who supported FFH during 2019 and previous years.

Method of Accounting: The Foundation uses the accrual basis method of accounting. Using this method of accounting, revenue and other support and the related receivables are reported when funds are considered earned, regardless of when cash is received. Revenue received in advance of being earned is reported as deferred revenue in the statement of financial position. Expenses and the related accounts payable are reported when the obligation is incurred, regardless of when cash is disbursed. All expenses are reported as reductions in unrestricted net assets. Expenses paid before being due are reported as prepaid items in the statement of financial position.

Adopted Accounting Pronouncements: In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The Foundation adopted the provisions of this new standard during the year ended December 31, 2018. The ASU has been applied retrospectively to 2017. In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Foundation adopted the provisions of this new standard during the year ended December 31, 2019. The ASU has not been applied retrospectively to 2018.

Net Assets Classes: The Foundation reports the following net assets classes:

Net Assets without Donor Restrictions: These net assets generally result from revenues generated by receiving contributions that have no donor restrictions, providing services, and receiving interest from operating investments, less expenses incurred in providing program-related services, raising contributions, and performing administrative functions. While these resources are reported as unrestricted, an organization manages them in compliance with its exempt purposes, governing board designations, legal requirements, and contractual obligations.

Net Assets with Donor Restrictions: These net assets result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted.

FOUNDATION FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2019 and 2018

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Cash and Cash Equivalents: The Foundation considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board and amounts restricted for the endowment fund.

Financial Instruments and Fair Value Measurements: 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 measurement date. The Foundation measures and discloses fair value in accordance with the following hierarchy and techniques:

Market approach (level 1) - uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources.

Cost approach (level 2) - based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

Income approach (level 3) - uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Changes in fair value of financial instruments and unrealized gains or losses on financial instruments are reported in the statement of activities. Investment income and gains and losses on investments are reported as an increase or decrease in unrestricted net assets unless a donor or law temporarily or permanently restricts their use.

Receivables: Receivables reported are amounts earned under grants and contracts and promises to give to the Foundation. At December 31, 2019 and 2018, all amounts were due within one year. Receivables are subject to credit risks in that the parties to the receivable agreement may not perform according to the terms of the agreement. The Foundation does not require collateral to support its receivables, thus the maximum amount of loss due to the credit risk is the face value of the receivable. The receivables are valued using an allowance for uncollectible accounts. At year end 2019 and 2018, the allowance for uncollectible accounts is \$-0-. The allowance for uncollectible accounts is considered an accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

Fixed Assets: Fixed assets are capitalized at cost if the estimated useful service life of the item is more than one year and the cost of the item is over \$1,000. Donations of fixed assets are recorded as support at their estimated fair value at the date 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, contributions of property and equipment are recorded as unrestricted support. Depreciation expense is computed using the straight-line method based on an estimate of the useful service life of the asset. Depreciation expense and accumulated depreciation reported in the financial statements are considered accounting estimates. These estimates may be adjusted as more current information becomes available and any adjustment could be significant.

Income Tax Status: The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundation believes it is no longer subject to examination by the IRS for years prior to 2016.

FOUNDATION FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2019 and 2018

NOTE 1: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue Recognition: Sources of revenue for the Foundation include grants and contracts from governmental agencies and foundations, contributions from sponsoring congregations, corporate sponsorships, individual donations, and fundraising campaigns and events. Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or for specific purposes are reported as temporarily restricted or permanently restricted and increases those net asset classes. Conditional promises to give are not reported as revenue until the condition is met.

Contributed Goods and Services: Contributed goods are recorded as noncash contributions at an estimated fair value based on the Organization's experience with similar goods. Contributed services are recorded as noncash contributions if, a) the services create or enhance non-financial assets or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The value of noncash contributions is considered an accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

Functional Allocation of Expenses: The Foundation allocates common costs, such as salaries and benefits, rent, supplies, etc., between program services, management and general, and fund raising based on an analysis of the activities of the Foundation benefiting from the incurred cost. The analysis is reviewed periodically and the allocations revised, if necessary, to reflect changes in the activities of the Foundation. The allocation of costs is considered an accounting estimate. The estimate may be adjusted as more current information becomes available and any adjustment could be significant.

Reclassifications: Certain prior year amounts have been reclassified in order to conform to the current year presentation.

Subsequent Events: Management has evaluated subsequent events through the date of the *Independent Auditor's Report* which is the date the financial statements were available for issuance.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Foundation. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. While the disruption is currently expected to be temporary, the extent of the impact of COVID-19 on The Foundation's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and the impact on the Foundation's clients, funders, employees and vendors, which are uncertain and cannot be predicted.

The Foundation has revised its budget for the remainder of 2020 based on management's estimate of the financial impact. Additionally, the Foundation entered into a promissory note in May 2020 for \$56,533 under the terms and conditions of the Paycheck Protection Program of the United States Small Business Administration and the CARES Act, which was enacted in April 2020. The note bears interest of 1%, and is payable in monthly installments of principal and interest beginning in November 2020 through April 2022. The provisions of the loan allow for the loan to be forgiven if certain conditions are met before repayment begins.

NOTE 2: LINE OF CREDIT/ NOTE PAYABLE

The Foundation maintains a secured line of credit with BBVA bank in the amount of \$50,000. The effective interest rate on the line of credit was 9.0% and 7.5% in 2019 and 2018, respectively. During 2019 and 2018, the Foundation did not draw on the line of credit. At December 31, 2019 and 2018, there was no outstanding balance on the line of credit.

FOUNDATION FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2019 and 2018

NOTE 2: LINE OF CREDIT/ NOTE PAYABLE - continued

On June 15, 2017, the Foundation converted \$43,480, owed to Woodforest Bank on a line of credit, to a term loan with the maturity date of June 15, 2022, with monthly interest payments only. The effective interest rate on this loan was 4.5%. During 2018, the Foundation repaid in full the balance outstanding on the term loan.

Interest costs incurred for the years ended December 31, 2019 and 2018 were \$-0- and \$538, respectively.

NOTE 3: COMMITMENTS – OPERATING LEASES

The Foundation enters into leases for shelter accommodations for various terms as part of the Family Stability program. The Organization also entered into an office lease in 2015 through December 31, 2018.

For accounting purposes, these leases are treated as operating leases. As operating leases, the future obligations are not reported in the financial statements. The future minimum lease payments required on these leases are as follows: 2020 - \$9,900; thereafter \$-0-. Total rental payments under these leases for 2019 and 2018 were \$68,443 and \$78,885, respectively.

NOTE 4: RISKS AND CONCENTRATIONS

Credit risk: Cash balances with a financial institution in excess of Federal Deposit Insurance Corporation insurance coverage or amounts not covered by insurance are considered an off balance sheet credit risk. At times, the cash balances may exceed the institutions' FDIC coverage. The Foundation does not require collateral for any of its deposits. The Foundation considers its funds to be in high quality financial institutions and constantly monitors its financial positions with the institutions and does not anticipate any nonperformance by the institutions. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from granting agencies and foundations supportive of the Organization's mission.

NOTE 5: INVESTMENTS AND INVESTMENT INCOME

There were no changes in valuation techniques during the current year. Fair value of assets measured on a recurring basis at years ended December 31, 2019 and 2018, are the following:

	Fair Value			
	Total	Quoted Prices in Active Markets for Identical Assets (Level1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2019				
Fixed income - pooled funds	\$ 11,207	\$ 11,207	\$ -	\$ -
December 31, 2018				
Fixed income - pooled funds	\$ 10,625	\$ 10,625	\$ -	\$ -

FOUNDATION FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2019 and 2018

NOTE 5: INVESTMENTS AND INVESTMENT INCOME - continued

Investment income reported in the financial statements consists of the following:

	<u>2019</u>	<u>2018</u>
Unrealized gain/(loss)	\$ (387)	\$ (2,113)
Interest and dividend income	<u>3,918</u>	<u>3,953</u>
Investment income	<u><u>\$ 3,531</u></u>	<u><u>\$ 1,840</u></u>

NOTE 6: DESIGNATED NET ASSETS

In 2009, Foundation for the Homeless, Inc. established an endowment fund and placed \$1,000 in an investment account. Since that initial deposit into the investment account additional contributions of securities have been placed into that account and subsequently converted to cash and cash equivalents within a short period of having been contributed.

NOTE 6: DESIGNATED NET ASSETS - continued

The endowment fund constitutes a separate fund held as an existing component part of the Organization in its regular corporate capacity and not as a separate trust. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions or board designations. The Organization's investment strategy is to emphasize a return of current income with minimal risk to the fair value of the original deposits.

During 2019 and 2018, the Organization had the following board-designated endowment fund activities.

	<u>2019</u>	<u>2018</u>
Beginning of year	\$ 10,625	\$ 8,958
Contributions	-	2,953
Unrealized gain/(loss)	(387)	(2,113)
Net interest and dividends	<u>969</u>	<u>827</u>
End of year	<u><u>\$ 11,207</u></u>	<u><u>\$ 10,625</u></u>

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

During 2019 and 2018, net assets of \$79,199 and \$64,614, respectively, were released from accompanying stipulations due to the Foundation's actions and are considered net assets released from donor imposed restrictions and are reported as transfers from net assets with donor restrictions to net assets without donor restrictions in the financial statements.

FOUNDATION FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS - continued
Years Ended December 31, 2019 and 2018

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS - continued

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to expenditure for specific purpose:		
Family Stability Program (Donald D. Hamill Foundation)	\$ 2,221	\$ -
Subject to passage of time:		
Promises to give that are not restricted by donors, but which are unavailable for expenditure until due	<u>11,625</u>	<u>26,625</u>
Total net assets with donor restrictions	<u><u>\$ 13,846</u></u>	<u><u>\$ 26,625</u></u>

NOTE 8: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents, no purpose restrictions	\$ 171,281	\$ 126,424
Board-designated endowment fund, no purpose restrictions	11,207	10,625
Receivables, program and other cost reimbursements	119,988	87,043
Lines of credit	<u>50,000</u>	<u>90,000</u>
Available without restrictions within one year	<u><u>\$ 352,476</u></u>	<u><u>\$ 314,092</u></u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments and money market funds. Our board-designated endowment is not subject to any restrictions. Although we do not intend to spend from this board-designated endowment, these amounts could be made available if necessary.

NOTE 9: CONTRIBUTED GOODS AND SERVICES

During the years ended 2019 and 2018, Foundation For the Homeless received \$22,500 and \$5,625 in contributed goods and services in form of space at St. John's Methodist Church of Austin. The contribution is reported as unrestricted support in the financial statements.