

**FOUNDATION FOR THE HOMELESS, INC.**

FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

YEARS ENDED DECEMBER 31, 2020 AND 2019

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## **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, 2020 and 2019, 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, 2020 and 2019, 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 19, 2021

FINANCIAL STATEMENTS

**FOUNDATION FOR THE HOMELESS, INC.**

**STATEMENTS OF FINANCIAL POSITION**

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 360,878	\$ 182,102
Investments	11,230	11,207
Grants and contracts receivable	99,306	119,988
Prepaid expenses	4,751	8,697
Security deposits	500	500
Total current assets	<u>476,665</u>	<u>322,494</u>
Fixed assets		
Furniture and equipment	4,210	2,810
Vans	66,068	169,459
Trailers	-	2,886
Less accumulated depreciation	<u>(62,797)</u>	<u>(162,422)</u>
Net fixed assets	<u>7,481</u>	<u>12,733</u>
<b>Total assets</b>	<u><u>\$ 484,146</u></u>	<u><u>\$ 335,227</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 2,965	\$ 6,900
Accrued payroll and related liabilities	<u>6,994</u>	<u>20,457</u>
Total current liabilities	<u>9,959</u>	<u>27,357</u>
Total liabilities	<u>9,959</u>	<u>27,357</u>
Net assets		
Without donor restrictions	462,562	294,024
With donor restrictions	<u>11,625</u>	<u>13,846</u>
Total net assets	<u>474,187</u>	<u>307,870</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 484,146</u></u>	<u><u>\$ 335,227</u></u>

See accompanying Notes to the Financial Statements.

**FOUNDATION FOR THE HOMELESS, INC.**

STATEMENTS OF ACTIVITIES

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES AND OTHER SUPPORT</b>			
Grants and contracts	\$ 755,747	\$ 56,500	\$ 812,247
Contributions	134,554	26,519	161,073
Fund raising	105,335	-	105,335
Direct benefit to donors	(3,735)	-	(3,735)
Net fund raising	101,600	-	101,600
Gain (loss) on disposal of asset	2,700	-	2,700
Investment income	3,067	-	3,067
Other miscellaneous income	268	-	268
Net assets released from donor imposed restrictions	85,240	(85,240)	-
<b>Total revenues and other support</b>	<b>1,083,176</b>	<b>(2,221)</b>	<b>1,080,955</b>
<b>EXPENSES</b>			
Program services			
Homeless assistance	835,335	-	835,335
Supporting services			
Management and general	47,912	-	47,912
Fund raising	31,391	-	31,391
<b>Total expenses</b>	<b>914,638</b>	<b>-</b>	<b>914,638</b>
<b>CHANGE IN NET ASSETS (decrease)</b>	168,538	(2,221)	166,317
<b>NET ASSETS</b>			
Beginning of year	294,024	13,846	307,870
<b>End of year</b>	<b>\$ 462,562</b>	<b>\$ 11,625</b>	<b>\$ 474,187</b>

See accompanying Notes to the Financial Statements.

**FOUNDATION FOR THE HOMELESS, INC.**

STATEMENTS OF ACTIVITIES - continued

Year Ended December 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT</b>			
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	<u>(12,457)</u>	<u>-</u>	<u>(12,457)</u>
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	<u>79,199</u>	<u>(79,199)</u>	<u>-</u>
<b>Total revenues and other support</b>	<u>925,724</u>	<u>(12,779)</u>	<u>912,945</u>
<b>EXPENSES</b>			
Program services			
Homeless assistance	706,885	-	706,885
Supporting services			
Management and general	68,105	-	68,105
Fund raising	<u>58,834</u>	<u>-</u>	<u>58,834</u>
<b>Total expenses</b>	<u>833,824</u>	<u>-</u>	<u>833,824</u>
<b>CHANGE IN NET ASSETS (decrease)</b>	91,900	(12,779)	79,121
<b>NET ASSETS</b>			
Beginning of year	<u>202,124</u>	<u>26,625</u>	<u>228,749</u>
<b>End of year</b>	<u>\$ 294,024</u>	<u>\$ 13,846</u>	<u>\$ 307,870</u>

See accompanying Notes to the Financial Statements.

**FOUNDATION FOR THE HOMELESS, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**

Year Ended December 31, 2020

	Program Services	Supporting Services		Total
		Management and General	Fund Raising	
<b>EXPENSES</b>				
Direct assistance	\$ 449,982	\$ -	\$ -	\$ 449,982
Personnel costs				
Salaries	208,023	19,135	13,915	241,073
Payroll taxes	18,844	1,733	1,260	21,837
Fringe benefits	21,597	1,987	1,445	25,029
Total personnel costs	<u>248,464</u>	<u>22,855</u>	<u>16,620</u>	<u>287,939</u>
Rent/utilities/maintenance	97,664	2,118	1,838	101,620
Contracted services	8,297	8,693	909	17,899
Office supplies	9,315	3,716	1,187	14,218
Insurance	9,614	595	546	10,755
Telephone/internet	6,274	651	652	7,577
Depreciation	-	6,652	-	6,652
Bank fees	-	574	5,492	6,066
Miscellaneous	2,059	1,016	257	3,332
Printing	1,664	769	263	2,696
Memberships/fees/dues	2,002	272	250	2,524
Advertising/public relations	-	-	2,187	2,187
Fundraising expenses	-	-	1,190	1,190
Interest expense	-	1	-	1
<b>Total expenses</b>	<u>\$ 835,335</u>	<u>\$ 47,912</u>	<u>\$ 31,391</u>	<u>\$ 914,638</u>

See accompanying Notes to the Financial Statements.



**FOUNDATION FOR THE HOMELESS, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES - continued

Year Ended December 31, 2019

	Program Services	Supporting Services		Total
		Management and General	Fund Raising	
<b>EXPENSES</b>				
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
Office supplies	5,281	672	659	6,612
Insurance	14,923	539	538	16,000
Telephone/internet	5,165	519	568	6,252
Depreciation	-	6,399	-	6,399
Bank fees	135	1,510	4,802	6,447
Miscellaneous	2,690	306	330	3,326
Printing	2,584	323	323	3,230
Memberships/fees/dues	918	220	115	1,253
Advertising/public relations	-	-	-	-
Fundraising expenses	-	-	12,136	12,136
Interest expense	-	102	-	102
<b>Total expenses</b>	<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 CASH FLOWS**

Years Ended December 31, 2020 and 2019

	<b>2020</b>	2019
<b>CASH FLOWS PROVIDED BY (USED BY) OPERATING ACTIVITIES</b>		
Change in net assets (decrease)	\$ 166,317	\$ 79,121
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain)/loss on investments	430	387
Depreciation	6,652	6,399
(Increase) decrease in operating assets:		
Receivables	20,682	(24,345)
Prepaid expenses	3,946	177
Other	-	(8,600)
Increase (decrease) in operating liabilities:		
Accounts payable	(3,935)	(7,851)
Accrued payroll and related liabilities	(13,463)	12,619
Net cash provided by (used by) operating activities	177,929	57,907
<b>CASH FLOWS PROVIDED BY (USED BY) INVESTING ACTIVITIES</b>		
Purchase of investments	(453)	(969)
Purchase of fixed assets	(1,400)	(1,260)
Proceeds from disposal of fixed assets	2,700	-
Net cash provided by (used by) investing activities	847	(2,229)
<b>CASH FLOWS PROVIDED BY (USED BY) FINANCING ACTIVITIES</b>		
Principal payments on long-term debt	-	-
Net cash provided by (used by) financing activities	-	-
<b>NET INCREASE (DECREASE) IN CASH</b>	178,776	55,678
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	182,102	126,424
<b>End of year</b>	<b>\$ 360,878</b>	<b>\$ 182,102</b>
Supplemental Information		
Interest paid	\$ 1	\$ 103

See accompanying Notes to the Financial Statements.

**FOUNDATION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Years Ended December 31, 2020 and 2019**

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**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 2020, 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, 2020 and 2019**

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**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 2020 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 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.

**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.

**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.

**FOUNDATION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2020 and 2019**

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

**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, 2020 and 2019, 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 2020 and 2019, 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 2017.

**FOUNDATION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2020 and 2019**

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**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. Net assets and changes in net assets are unchanged due to these reclassifications.

**COVID-19:** As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Organization. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple businesses. The Organization revised its budget for the remainder of 2020 based on management's estimate of the financial impact. Additionally, the Organization received funding under the CARES Act Paycheck Protection Program enacted in April 2020.

**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.

**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% in 2020 and 2019. During 2020 and 2019, the Foundation did not draw on the line of credit. At December 31, 2020 and 2019, there was no outstanding balance on the line of credit.

In May 2020, the Organization entered into a promissory note with the SBA 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. The Organization believes it has met the conditions and has recognized the amounts in grants and contracts in the Statement of Activities. The Organization applied for forgiveness in March 2021.

**FOUNDATION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2020 and 2019**

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**NOTE 3: COMMITMENTS – OPERATING LEASES**

The Foundation enters into leases for shelter accommodations for various terms as part of the Family Stability program. The Foundation also entered into an office lease in 2015 through December 31, 2018. FFH continued to occupy the space on a month to month agreement.

For accounting purposes, these leases are treated as operating leases. As operating leases, the future obligations are not reported in the financial statements. Total rental payments under these leases for 2020 and 2019 were \$71,421 and \$68,443, respectively. There are no future minimum lease payments required on these leases as of December 31, 2020.

**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, 2020 and 2019, are the following:

	Fair Value			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>December 31, 2020</b>				
Fixed income - pooled funds	\$ 11,230	\$ 11,230	\$ -	\$ -
<b>December 31, 2019</b>				
Fixed income - pooled funds	\$ 11,207	\$ 11,207	\$ -	\$ -

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

	2020	2019
Unrealized gain/(loss)	\$ (430)	\$ (387)
Interest and dividend income	3,497	3,918
<b>Investment income</b>	<b>\$ 3,067</b>	<b>\$ 3,531</b>

**FOUNDATION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2020 and 2019**

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**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.

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 2020 and 2019, the Organization had the following board-designated endowment fund activities.

	<u>2020</u>	<u>2019</u>
Beginning of year	\$ 11,207	\$ 10,625
Unrealized gain/(loss)	(430)	(387)
Net interest and dividends	453	969
<b>End of year</b>	<u>\$ 11,230</u>	<u>\$ 11,207</u>

**NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS**

During 2020 and 2019, 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.

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

	<u>2020</u>	<u>2019</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	11,625	11,625
<b>Total net assets with donor restrictions</b>	<u>\$ 11,625</u>	<u>\$ 13,846</u>



**FOUNDATION FOR THE HOMELESS, INC.**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Years Ended December 31, 2020 and 2019**

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**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>2020</u>	<u>2019</u>
Cash and cash equivalents, no purpose restrictions	\$ 360,878	\$ 182,102
Board-designated endowment fund, no purpose restrictions	11,230	11,207
Receivables, program and other cost reimbursements	<u>99,306</u>	<u>119,988</u>
<b>Available without restrictions within one year</b>	<u><u>\$ 471,414</u></u>	<u><u>\$ 313,297</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. The Foundation also has committed lines of credit in the amount of \$50,000, which it could draw upon in the event of an unanticipated liquidity need.

**NOTE 9: CONTRIBUTED GOODS AND SERVICES**

During the years ended 2020 and 2019, Foundation For the Homeless received \$22,500 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.