

Foundation for the Homeless, Inc.
Financial Statements and
Independent Auditors' Report
December 31, 2022 and 2021

Foundation for the Homeless, Inc.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Foundation for the Homeless, Inc.

Opinion

We have audited the accompanying financial statements of Foundation for the Homeless, Inc. (a Texas nonprofit corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for the Homeless, Inc. as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Foundation for the Homeless, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Changes in Accounting Principles

As discussed in Note A11 to the financial statements, Foundation for the Homeless, Inc. has adopted ASU No. 2016-02, *Leases (Topic 842)* and ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Foundation for the Homeless, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation for the Homeless, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foundation for the Homeless, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Dunagan Jack LLP

Austin, Texas
May 19, 2023

FINANCIAL STATEMENTS

Foundation for the Homeless, Inc.

STATEMENTS OF FINANCIAL POSITION

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 499,609	\$ 497,118
Investments	157,876	70,983
Prepaid expenses and other assets	39,087	62,575
Grants and contributions receivable	222,350	199,490
Operating lease right-of-use asset	59,046	-
Property and equipment	<u>31,735</u>	<u>41,756</u>
Total assets	<u>\$ 1,009,703</u>	<u>\$ 871,922</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 32,848	\$ 40,163
Refundable grant advance	108,131	-
Operating lease liability	<u>59,046</u>	<u>-</u>
Total liabilities	<u>200,025</u>	<u>40,163</u>
Net assets		
Without donor restrictions	720,645	752,979
With donor restrictions	<u>89,033</u>	<u>78,780</u>
Total net assets	<u>809,678</u>	<u>831,759</u>
Total liabilities and net assets	<u>\$ 1,009,703</u>	<u>\$ 871,922</u>

The accompanying notes are an integral part of these financial statements.

Foundation for the Homeless, Inc.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Grants and contributions	\$ 1,185,135	\$ 83,448	\$ 1,268,583
In-kind contributions	41,128	-	41,128
Return on investments	(10,978)	-	(10,978)
Other revenues	1,908	-	1,908
Net assets released from restrictions	73,195	(73,195)	-
Total revenues	<u>1,290,388</u>	<u>10,253</u>	<u>1,300,641</u>
Expenses			
Program services	1,118,901	-	1,118,901
General and administrative	161,907	-	161,907
Fundraising	41,914	-	41,914
Total expenses	<u>1,322,722</u>	<u>-</u>	<u>1,322,722</u>
Change in net assets	(32,334)	10,253	(22,081)
Net assets at beginning of year	<u>752,979</u>	<u>78,780</u>	<u>831,759</u>
Net assets at end of year	<u>\$ 720,645</u>	<u>\$ 89,033</u>	<u>\$ 809,678</u>

The accompanying notes are an integral part of these financial statements.

Foundation for the Homeless, Inc.

STATEMENT OF ACTIVITIES

For the year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Grants and contributions	\$ 1,076,061	\$ 76,988	\$ 1,153,049
Special events (net of direct expenses of \$15,056)	123,520	-	123,520
In-kind contributions	76,376	-	76,376
Gain on sale of property and equipment	26,000	-	26,000
Return on investments	7,833	-	7,833
Other revenues	3,138	-	3,138
Net assets released from restrictions	9,833	(9,833)	-
Total revenues	<u>1,322,761</u>	<u>67,155</u>	<u>1,389,916</u>
Expenses			
Program services	852,508	-	852,508
General and administrative	142,719	-	142,719
Fundraising	37,117	-	37,117
Total expenses	<u>1,032,344</u>	<u>-</u>	<u>1,032,344</u>
Change in net assets	290,417	67,155	357,572
Net assets at beginning of year	<u>462,562</u>	<u>11,625</u>	<u>474,187</u>
Net assets at end of year	<u>\$ 752,979</u>	<u>\$ 78,780</u>	<u>\$ 831,759</u>

The accompanying notes are an integral part of these financial statements.

Foundation for the Homeless, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2022

	Program Services	General and Administrative	Fundraising	Total
Personnel				
Salaries and wages	\$ 329,968	\$ 71,805	\$ 25,395	\$ 427,168
Payroll taxes	32,275	7,023	2,484	41,782
Employee benefits	48,107	10,469	3,702	62,278
Direct client assistance	467,923	-	-	467,923
Shelter facilities and housing supplies	106,730	-	-	106,730
Office facilities	62,771	17,931	4,831	85,533
Professional and contract services	8,100	20,575	-	28,675
Breakfast facilities and supplies	24,219	-	-	24,219
Office supplies and expenses	12,251	2,666	943	15,860
Information technology	6,556	8,831	260	15,647
Insurance	-	10,821	-	10,821
Depreciation	8,621	360	127	9,108
Travel	5,122	1,133	-	6,255
Postage and delivery	261	57	20	338
Other expenses	5,997	10,236	4,152	20,385
Total expenses	<u>\$ 1,118,901</u>	<u>\$ 161,907</u>	<u>\$ 41,914</u>	<u>\$ 1,322,722</u>

The accompanying notes are an integral part of these financial statements.

Foundation for the Homeless, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2021

	Program Services	General and Administrative	Fundraising	Total
Personnel				
Salaries and wages	\$ 291,164	\$ 65,162	\$ 23,767	\$ 380,093
Payroll taxes	26,182	5,859	2,137	34,178
Employee benefits	23,484	5,256	1,917	30,657
Direct client assistance	319,458	-	-	319,458
Shelter facilities and housing supplies	81,580	-	-	81,580
Office facilities	40,220	15,710	3,283	59,213
Professional and contract services	8,280	17,250	-	25,530
Office supplies and expenses	16,870	3,775	1,377	22,022
Breakfast facilities and supplies	21,525	-	-	21,525
Information technology	9,663	7,246	696	17,605
Insurance	-	10,002	-	10,002
Depreciation	6,440	248	90	6,778
Travel	5,680	-	-	5,680
Postage and delivery	327	73	27	427
Other expenses	1,635	12,138	3,823	17,596
Total expenses	<u>\$ 852,508</u>	<u>\$ 142,719</u>	<u>\$ 37,117</u>	<u>\$ 1,032,344</u>

The accompanying notes are an integral part of these financial statements.

Foundation for the Homeless, Inc.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ (22,081)	\$ 357,572
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,108	6,778
Amortization of operating lease right-of-use asset	37,576	-
Loss (gain) on the sale/disposal of property and equipment	913	(26,000)
Realized and unrealized losses (gains) on investments	14,019	(6,591)
Decrease (increase) in prepaid expenses and other assets	23,488	(60,063)
Increase in grants and contributions receivable	(22,860)	(100,184)
(Decrease) increase in accounts payable and accrued expenses	(7,315)	30,204
Increase in refundable grant advance	108,131	-
Decrease in operating lease liability	(37,576)	-
Net cash provided by operating activities	<u>103,403</u>	<u>201,716</u>
Cash flows from investing activities:		
Purchases of investments	(203,739)	(124,198)
Proceeds from sales/maturities of investments	102,827	70,580
Purchase of property and equipment	-	(38,314)
Proceeds from sale of property and equipment	-	26,000
Net cash used by investing activities	<u>(100,912)</u>	<u>(65,932)</u>
Cash flows from financing activities:	<u>-</u>	<u>-</u>
Increase in cash and cash equivalents	2,491	135,784
Cash and cash equivalents at beginning of year	<u>497,118</u>	<u>361,334</u>
Cash and cash equivalents at end of year	<u>\$ 499,609</u>	<u>\$ 497,118</u>
Amounts paid during the year for:		
Income taxes	<u>\$ -</u>	<u>\$ -</u>
Interest	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

Foundation for the Homeless, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE A - ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

1. Organization and Nature of Activities

Foundation for the Homeless, Inc. (Foundation) was incorporated in the State of Texas on February 7, 1989. The Foundation's mission is to provide families experiencing homelessness hope, opportunity, and solutions while also promoting the dignity of individuals who experience homelessness. The Foundation provides 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. The Foundation is supported in part by the City of Austin, Texas (City) and the State of Texas. Its programs include the following:

- The Feed My People Program is open to anyone experiencing homelessness and poverty. This long-standing program is a partnership of eight churches and schools in the Austin community. Together the organizations provide a filling, hot breakfast along with other services including showers, AA meetings, a clothing closet, and haircuts.
- The Family Stability Program is a rapid re-housing program for families with minor children experiencing homelessness. This is a multi-agency collaborative focused on case management for obtaining and maintaining safe and stable housing.

2. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

3. Basis of Presentation

The Foundation reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Foundation for the Homeless, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE A - ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Basis of Presentation - Continued

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of donor restrictions on the net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

4. Cash and Cash Equivalents

The Foundation considers all checking accounts, savings accounts, money market funds, and certificates of deposit purchased with initial maturities of three months or less to be cash and cash equivalents.

5. Investments

Investments are stated at their readily determinable fair values in the statements of financial position, except for certificates of deposit that are stated at cost. Unrealized gains and losses are included in the change in net assets.

6. Property and Equipment

Acquisitions of property and equipment are capitalized at cost, if purchased, or fair market value on the date of donation, if received as a gift. Depreciation is calculated using the straight-line method over the assets' estimated useful lives. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expiration of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor.

Foundation for the Homeless, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE A - ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Leases

The Foundation determines whether a contract is a leasing arrangement and the classification of that lease, if applicable, at inception. Right-of-use assets represent the Foundation's right to use an underlying asset during the lease term, and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. Right-of-use assets and liabilities are recognized at the commencement date, based on net present value of fixed-lease payments over the lease term.

If determinable, the Foundation uses the rate implicit in the lease. When the rate implicit in the lease is not determinable, the Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of the lease liability.

Operating lease payments are expensed on a straight-line basis over the term of the lease while finance lease payments are segregated between amortization of the right-to-use asset and the interest on the lease liability. The Foundation's lease terms include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Leases with an initial term of twelve months or less are not recorded on the statements of financial position and are expensed on a straight-line basis. To the extent a lease arrangement includes both lease and non-lease components, the components are accounted for separately.

8. Grants and Contributions

Unconditional grants and contributions received are recorded as increases in net assets without donor restrictions or as increases in net assets with donor restrictions, depending on the existence or nature of any donor restrictions. As donor or time restrictions are satisfied, net assets are reclassified to net assets without donor restrictions. The Foundation's policy is to report restricted support that is satisfied in the year of receipt as support without donor restrictions.

Revenue from grants that are considered to be conditional contributions are recognized as conditions are met or reimbursable expenses are incurred. Grants and contributions totaling \$108,131 that were received in advance of donor-imposed conditions being met are recorded as a refundable grant advance. The grants and contributions are conditional based on reimbursable expenses being incurred and will be recognized as revenue when the conditions are met in future years.

Foundation for the Homeless, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE A - ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

9. Functional Allocation of Expenses

Expenses are categorized by function as either (1) program services, (2) general and administrative, or (3) fundraising expenses. Expenses that are specifically identifiable to a function are allocated entirely to that function. Expenses that are not specifically identifiable to a function are allocated based upon management's estimate of time and resources devoted to each function.

10. Estimates

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

11. Recently Adopted Accounting Guidance

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. This new standard requires a lessee to recognize on the statement of financial position a liability to make lease payments (lease liability) and a right-of-use asset representing the right to use the underlying asset for the lease term, regardless of classification of a lease as an operating or finance lease. The Foundation elected the package of practical expedients permitted under the new standard that allowed the Foundation to carry forward historical lease classifications for existing leases on the adoption date, and allowed the Foundation to not assess whether an existing contract contains a lease or initial direct costs. The Foundation adopted the provisions of this new standard during the year ended December 31, 2022, using a modified retrospective approach. As permitted by the guidance, prior comparative periods will not be adjusted under this method.

In 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU changes the presentation and disclosure requirements for not-for-profit entities to increase transparency about contributed nonfinancial assets. The Foundation has adopted ASU 2020-07 retrospectively for the year ended December 31, 2021.

Foundation for the Homeless, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE B - TAX EXEMPT STATUS

The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(a) as an organization described in Section 501(c)(3). The Foundation is classified as a public charity described in Sections 509(a)(1) and 170(b)(1)(A)(vi). No provision for income taxes has been included in these financial statements.

NOTE C - INVESTMENTS

Investments comprised the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Investments presented at fair value		
Exchange traded funds	\$ 57,506	\$ 70,983
Total investments presented at fair value	<u>57,506</u>	<u>70,983</u>
Other investments presented at cost		
Certificate of deposit	<u>100,370</u>	<u>-</u>
Total other investments presented at cost	<u>100,370</u>	<u>-</u>
Total investments	<u>\$ 157,876</u>	<u>\$ 70,983</u>

Generally accepted accounting principles establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques that measure fair value. The hierarchy give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements). The Foundation's investments are all valued based on Level 1 measures.

NOTE D - GRANTS AND CONTRIBUTIONS RECEIVABLE

The grants and contributions receivable balances at December 31, 2022 and 2021 were considered fully collectible. Therefore, no allowances for uncollectible amounts have been recorded in these financial statements. At December 31, 2022 and 2021, collections of grants and contributions receivable were expected within one year, therefore, no discounts to present value have been recorded in these financial statements.

Foundation for the Homeless, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE E - OPERATING LEASES

The Foundation has an operating lease for office space which expires in 2024 and is not expected to be renewed. The lease requires the Foundation to pay separate amounts for common area maintenance, taxes, and insurance. The following provides quantitative information concerning the Foundation's operating lease for the year ended December 31, 2022:

Operating lease costs (office facilities expense)	\$	37,576
Other information:		
Operating cash flows from operating lease	\$	37,576
Weighted-average remaining lease term		1.58 Years
Weighted-average discount rate		0.91%

The aggregate future lease payments for this operating lease as of December 31, 2022 were as follows:

Years ending December 31,	Payments
2023	\$ 37,576
2024	<u>21,919</u>
Total lease payments	59,495
Less interest	<u>(449)</u>
Lease liability	<u><u>\$ 59,046</u></u>

During the year ended December 31, 2021, the Foundation leased office space, office equipment, and program facilities under various operating lease agreements. Office rent expense totaled \$48,580 for the year ended December 31, 2021. Program facility rent expense totaled \$24,000 for the year ended December 31, 2021. Equipment rent expense totaled \$1,421 for the year ended December 31, 2021.

Foundation for the Homeless, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE F - PROPERTY AND EQUIPMENT

Property and equipment comprised the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Vehicles	\$ 66,832	\$ 66,832
Furniture and equipment	7,690	7,690
Software	-	2,739
	<u>74,522</u>	<u>77,261</u>
Less accumulated depreciation	<u>(42,787)</u>	<u>(35,505)</u>
	<u>\$ 31,735</u>	<u>\$ 41,756</u>

Depreciation expense totaled \$9,108 and \$6,778 for the years ended December 31, 2022 and 2021, respectively.

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following purpose and periods at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes/periods:		
Future periods	\$ 58,500	\$ 48,292
Financial assistance	18,085	9,647
Family Stability Program	12,448	-
Move-in kits	-	20,841
	<u>-</u>	<u>20,841</u>
Total for specified purposes/periods	<u>\$ 89,033</u>	<u>\$ 78,780</u>

NOTE H - LINE OF CREDIT

The Foundation had an unsecured line of credit with a bank for \$50,000. There were no balances outstanding at December 31, 2021. The line of credit was closed in April 2022.

Foundation for the Homeless, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE I - CONTRIBUTED NONFINANCIAL ASSETS

For the years ended December 31, 2022 and 2021, contributed nonfinancial assets recognized within the statements of activities included the following:

	<u>2022</u>	<u>2021</u>
Shelter facilities	\$ 26,376	\$ 26,376
Household items and hygiene kits	11,301	50,000
Moving and storage	<u>3,451</u>	<u>-</u>
Total in-kind contributions	<u>\$ 41,128</u>	<u>\$ 76,376</u>

Contributions of nonfinancial assets are reported at fair value at the date of contribution. The fair value of donated shelter facilities is determined based on the rate for similar properties in similar areas in Austin, Texas. Household items and hygiene kits are valued at the price the Foundation would have paid if it had purchased similar quantities of the same items from vendors. All contributed nonfinancial assets are utilized in the Foundation’s programs and the Foundation does not monetize in-kind contributions.

NOTE J - CONCENTRATIONS

All of a depositor’s accounts at an insured depository institution, including noninterest-bearing transaction accounts, are insured by the Federal Deposit Insurance Corporation (FDIC) up to the maximum deposit insurance amount (\$250,000). As of December 31, 2022, the Foundation’s uninsured cash and certificates of deposit balances totaled approximately \$96,000. There were no uninsured cash and certificates of deposit balances at December 31, 2021.

Five donors comprised the following percentages of gross grants and contributions receivable and grants and contributions revenue as of and for the years ended December 31, 2022 and 2021:

	<u>2022</u>		<u>2021</u>	
	Grants and Contributions Receivable	Grants and Contributions Revenue	Grants and Contributions Receivable	Grants and Contributions Revenue
Donor A	44%	23%	25%	23%
Donor B	21%	4%	24%	7%
Donor C	19%	18%	11%	13%
Donor D	11%	24%	40%	31%
Donor E	0%	10%	0%	0%

Foundation for the Homeless, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2022 and 2021

NOTE K - GRANTOR AUDITS

The Foundation receives grants from foundations and governments for specific purposes that are subject to review and audit by grantor agencies. Such audits could result in requests for reimbursement by the grantor agency for expenditures and services disallowed under terms and conditions of the appropriate agency. In the opinion of the Foundation’s management, such disallowances, if any, will not be significant.

NOTE L - RETIREMENT PLAN

In 2022, the Foundation established a Savings Incentive Match Plan for Employees retirement plan, also known as a SIMPLE IRA plan. All employees are eligible to participate. The Foundation makes nonelective contributions of 2% for each eligible employee’s compensation. Participants are immediately vested in their contributions and any employer contributions. Retirement plan expense totaled \$7,123 for the year ended December 31, 2022.

NOTE M - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The following reflects the Foundation’s financial assets, reduced by amounts not available for general use within one year because of donor-imposed restrictions, as of December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 499,609	\$ 497,118
Investments	157,876	70,983
Grants and contributions receivable, due in less than one year	<u>222,350</u>	<u>199,490</u>
Total financial assets	879,835	767,591
Donor-imposed restrictions:		
Subject to expenditure for specified purposes	<u>(30,533)</u>	<u>(30,488)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 849,302</u>	<u>\$ 737,103</u>

NOTE N - SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 19, 2023, the date the financial statements were available to be issued.