

HOMELESS ASSISTANCE FUND, INC.

FINANCIAL STATEMENTS

For the Years Ended June 30, 2023 and 2022



JEBRAN & ABRAHAM, PC
Certified Public Accountants and Business Consultants

HOMELESS ASSISTANCE FUND, INC.
TABLE OF CONTENTS
For the Years Ended June 30, 2023 and 2022

	<u>Page(s)</u>
INDEPENDENT AUDITORS' REPORT	2-3
FINANCIAL STATEMENTS	
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7-9



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Homeless Assistance Fund, Inc.

Opinion

We have audited the accompanying financial statements of Homeless Assistance Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as June 30, 2023 and 2022, 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 Homeless Assistance Fund, Inc. as of June 30, 2023 and 2022, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Homeless Assistance Fund, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Homeless Assistance Fund, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 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 Homeless Assistance Fund, 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 Homeless Assistance Fund, 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.

Jebran & Abraham, P.C.
New Britain, Pennsylvania
September 19, 2023

HOMELESS ASSISTANCE FUND, INC.
 STATEMENTS OF FINANCIAL POSITION
 At June 30, 2023 and 2022

	June 30,	
	2023	2022
ASSETS		
Assets		
Cash and cash equivalents	\$ 468,696	\$ 237,805
Investments	5,638,457	5,643,988
Total assets	\$ 6,107,153	\$ 5,881,793
 LIABILITY AND NET ASSETS		
Liability		
Accrued expenses	\$ 214,400	\$ 214,400
Net Assets		
Without donor restrictions	5,892,753	5,667,393
Total Liabilities and Net Assets	\$ 6,107,153	\$ 5,881,793

The accompanying notes are an integral part of these financial statements

HOMELESS ASSISTANCE FUND, INC.
 STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 For the Years Ended June 30, 2023 and 2022

	Without Donor Restrictions	
	June 30,	
	2023	2022
Revenue		
Dividends and interest	\$ 131,635	\$ 132,032
Realized and unrealized gain (loss) on investments, net	425,539	(981,422)
	557,174	(849,390)
Expenses		
Program service		
Grants	210,000	255,000
Operating Costs		
General and administrative	101,499	88,768
Investment management fees	20,315	21,985
	121,814	110,753
Total operating expenses	121,814	110,753
Total expenses (grants and operating)	331,814	365,753
Changes in Net Assets	225,360	(1,215,143)
Net Assets, Beginning of Year	5,667,393	6,882,536
Net Assets, End of Year	\$ 5,892,753	\$ 5,667,393

The accompanying notes are an integral part of these financial statements

HOMELESS ASSISTANCE FUND, INC.
STATEMENTS OF CASH FLOW
For the Years Ended June 30, 2023 and 2022

	June 30,	
	2023	2022
Schedule of Reconciling Increases (Decreases) in		
Net Assets to Net Cash Flows from Operating Activities		
Changes in net assets	\$ 225,360	\$ (1,215,143)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	*	
Net realized gain and unrealized (gain) loss on investments	(425,539)	981,422
Net cash used by operating activities	<u>(200,179)</u>	<u>(233,721)</u>
Cash Flow from Investing Activities:		
Sale of investments	2,104,772	1,515,650
Purchase of investments	<u>(1,673,702)</u>	<u>(1,402,201)</u>
Net cash provided by investing activities	<u>431,070</u>	<u>113,449</u>
 Net change in cash and cash equivalents	 230,891	 (120,272)
 Cash and Cash Equivalents, Beginning of the Year	 <u>237,805</u>	 <u>358,077</u>
 Cash and Cash Equivalents, End of the Year	 <u>\$ 468,696</u>	 <u>\$ 237,805</u>

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

HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

1. Nature of Organization

Homeless Assistance Fund, Inc. (“HAFI”), is a private, independent foundation that funds the removal of barriers that prevent homeless individuals and families from accessing permanent housing. HAFI makes grants to homeless service providers who offer programs and projects that help homeless individuals and families become self-sufficient, with the focus of moving their clients into permanent housing. HAFI is located in Philadelphia, Pennsylvania.

2. Date of Management’s Review

In preparing the financial statements, the Organization has evaluated the events and transactions for potential recognition or disclosure through September 19, 2023 the date that the financial statements were available to be issued.

3. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the HAFI have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles in the United States of America.

Investments

Investments are stated at fair value with unrealized gains and losses on investments resulting from fair value fluctuations recorded in the statements of activities in the period that such fluctuations occur. Highly liquid interest-earning investments and time deposits with an original maturity of less than three months are classified as cash equivalents. Investment sales and purchases are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Income Taxes

HAFI is exempt from federal income taxes under Section 501(c)(3) and is classified as a private foundation under Section 509(a) of the Internal Revenue Code.

HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

4. Fair Value Measurement

The fair value measurement accounting literature establishes a fair value hierarchy framework for measuring fair value. That hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs: Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Organization has the ability to access.

Level 2 Inputs: Inputs to the valuation include:

- Quoted prices for similar assets in the active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the assets or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs to minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

Mutual Funds: Valued at daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Fixed-Income and U.S. Equity Securities: The securities have readily determinable fair market values based on quoted price in active markets.

The Reinvestment Fund (TRF) is a federally certified community development financial institution (CDFI) that develops partnerships and financial tools to ensure equitable access to opportunity. TRF's PhilaImpact Fund, a partnership with the Philadelphia Foundation, was designed to connect local impact investors with neighborhood development projects that deliver tangible results and create positive social impact. The investment is valued at cost plus interest.

The Organization entered into a loan agreement with a Pennsylvania non-profit in the amount of \$50,000. The funds are to be used to acquire and develop sites to create affordable housing. The loan has a five-year term, with interest payable on September 1st of each year. Full principal and accrued interest are due on the maturity date of the agreement.

HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2023 and 2022

4. Fair Value Measurement (continued)

The following presents assets measured at fair value on a recurring basis as of June 30, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Individual Equity Securities	\$3,735,494	\$ -	\$ -	\$3,735,494
Individual Fixed Income Securities	1,549,058	-	-	1,549,058
Reinvestment Fund	-	-	303,905	303,905
Loan Receivable	-	-	50,000	50,000
	<u>\$ 5,284,552</u>	<u>\$ -</u>	<u>\$ 353,905</u>	<u>\$ 5,638,457</u>

The following presents assets measured at fair value on a recurring basis as of June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Individual Equity Securities	\$3,605,401	\$ -	\$ -	\$3,605,401
Individual Fixed Income Securities	1,684,496	-	-	1,684,496
Reinvestment Fund	-	-	304,091	304,091
Loan Receivable	-	-	50,000	50,000
	<u>\$ 5,289,897</u>	<u>\$ -</u>	<u>\$ 354,091</u>	<u>\$ 5,643,988</u>

5. Liquidity and Availability of Financial Assets

The Organization's financial assets available for general expenditure within one year of the balance sheet date are as follows:

Cash and cash equivalents	\$ 468,696
Investments	<u>5,638,457</u>
Total financial assets	<u>\$ 6,107,153</u>

The Organization's liquidity management includes a policy of structuring its financial assets to be available to meet its grant-making and general expenditures. Cash and cash equivalents and investments are the primary liquid resources used by the Organization to meet these obligations.