

HOMELESS ASSISTANCE FUND, INC.

FINANCIAL STATEMENTS

For the Years Ended June 30, 2017 and 2016



**JEBRAN & ABRAHAM, PC**  
Certified Public Accountants and Business Consultants

HOMELESS ASSISTANCE FUND, INC.  
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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Homeless Assistance Fund, Inc. (a foundation), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities 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 from 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 Homeless Assistance Fund, Inc. as of June 30, 2017 and 2016, 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.

*Jebran & Abraham, P.C.*

New Britain, Pennsylvania

August 31, 2017

HOMELESS ASSISTANCE FUND, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 June 30, 2017 and 2016

	June 30,	
	2017	2016
<b>ASSETS</b>		
<b>Assets</b>		
Cash and cash equivalents	\$ 168,259	\$ 124,459
Investments	5,707,470	5,460,972
Total assets	\$ 5,875,729	\$ 5,585,431
 <b>LIABILITY AND NET ASSETS</b>		
<b>Liability</b>		
Accrued expenses	\$ 211,950	\$ 205,700
 <b>Net Assets</b>		
Unrestricted	5,663,779	5,379,731
Total Liabilities and Net Assets	\$ 5,875,729	\$ 5,585,431

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, 2017 and 2016

	June 30,	
	2017	2016
<b>Revenue</b>		
Dividends and interest	\$ 125,635	\$ 151,602
Realized and unrealized gain (loss) on investments, net	463,946	(89,852)
	589,581	61,750
<b>Expenses</b>		
Program service		
Grants	208,000	202,000
Operating Costs		
General and administrative	77,498	71,899
Investment management fees	20,035	19,051
	97,533	90,950
Total operating expenses	97,533	90,950
Total expenses (grants and operating)	305,533	292,950
<b>Changes in Net Assets</b>	284,048	(231,200)
<b>Net Assets, Beginning of Year</b>	5,379,731	5,610,931
<b>Net Assets, End of Year</b>	\$ 5,663,779	\$ 5,379,731

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, 2017 and 2016

	June 30,	
	2017	2016
<b>Schedule of Reconciling Increases (Decreases) in Net Assets to Net Cash Flows from Operating Activities</b>		
Changes in net assets	\$ 284,048	\$ (231,200)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Net realized gain and unrealized (gain) loss on investments	(463,946)	89,852
Accrued expense	6,250	(400)
Net cash used by operating activities	(173,648)	(141,748)
<b>Cash Flow from Investing Activities:</b>		
Sale of investments	2,712,335	158,934
Purchase of investments	(2,494,887)	(159,019)
Net cash provided by (used in) investing activities	217,448	(85)
<b>Net change in cash and cash equivalents</b>	43,800	(141,833)
<b>Cash and Cash Equivalents, Beginning of the Year</b>	124,459	266,292
<b>Cash and Cash Equivalents, End of the Year</b>	\$ 168,259	\$ 124,459

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, 2017 and 2016

**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 Association has evaluated the events and transactions for potential recognition or disclosure through August 31, 2017 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.

*Financial Statement Presentation*

HAFI reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets. There are no temporarily or permanently restricted net assets as of June 30, 2017 and 2016.

*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.

*Fair Value of Financial Instruments*

In determining the fair value of investments, HAFI utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. HAFI determines fair value based on assumptions that market participants would use in pricing and asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are characterized in one of the following levels:

**Level 1 Inputs:** Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.

**Level 2 Inputs:** Valuations based on observable inputs (other than Level 1 prices) such as quoted prices for similar assets at the measurement date, quoted prices in markets that are not active, or other inputs that are observable, either directly or indirectly.



HOMELESS ASSISTANCE FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
For the Years Ended June 30, 2017 and 2016

3. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

Level 3 Inputs: Valuations based on inputs that are unobservable and significant to the overall fair value measurement and involve management judgment.

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.

4. Investments

At June 30, 2017 and 2016, HAFI's investments consisted of the following and are all considered Level 1:

	<u>2017 Carrying Value</u>	<u>2016 Carrying Value</u>
Mutual Equity Funds	\$ 3,616,137	\$ 3,284,778
Mutual Bond Funds	<u>2,091,333</u>	<u>2,176,194</u>
	<u>\$ 5,707,470</u>	<u>\$ 5,460,972</u>