

HOMELESS ASSISTANCE FUND, INC.

FINANCIAL STATEMENTS

For the Years Ended June 30, 2021 and 2020



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, 2021 and 2020, 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, 2021 and 2020, 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.

Gelbran & Abraham, P.C.
New Britain, Pennsylvania
July 30, 2021

HOMELESS ASSISTANCE FUND, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	June 30,	
	2021	2020
ASSETS		
Assets		
Cash and cash equivalents	\$ 358,077	\$ 404,279
Investments	6,738,859	5,461,817
Total assets	\$ 7,096,936	\$ 5,866,096
 LIABILITY AND NET ASSETS		
Liability		
Accrued expenses	\$ 214,400	\$ 212,000
 Net Assets		
Without donor restrictions	6,882,536	5,654,096
Total Liabilities and Net Assets	\$ 7,096,936	\$ 5,866,096

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, 2021 and 2020

	Without Donor Restrictions	
	June 30,	
	2021	2020
Revenue		
Dividends and interest	\$ 135,810	\$ 150,461
Realized and unrealized gain on investments, net	1,415,568	88,741
Total investment revenue	1,551,378	239,202
Expenses		
Program service		
Grants	210,000	269,000
Operating Costs		
General and administrative	91,823	66,130
Investment management fees	21,115	20,381
Total operating expenses	112,938	86,511
Total expenses (grants and operating)	322,938	355,511
Changes in Net Assets	1,228,440	(116,308)
Net Assets, Beginning of Year	5,654,096	5,770,404
Net Assets, End of Year	\$ 6,882,536	\$ 5,654,096

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, 2021 and 2020

	June 30,	
	2021	2020
Schedule of Reconciling Increases (Decreases) in Net Assets to Net Cash Flows from Operating Activities		
Changes in net assets	\$ 1,228,440	\$ (116,308)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Net realized gain and unrealized gain on investments	(1,415,568)	(88,741)
Net cash used by operating activities	(184,728)	(205,049)
 Cash Flow from Investing Activities:		
Sale of investments	1,146,357	1,502,064
Purchase of investments	(1,007,831)	(1,170,209)
Net cash provided by investing activities	138,526	331,855
 Net change in cash and cash equivalents	(46,202)	126,806
 Cash and Cash Equivalents, Beginning of the Year	404,279	277,473
 Cash and Cash Equivalents, End of the Year	\$ 358,077	\$ 404,279

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, 2021 and 2020

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 July 30, 2021 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, 2021 and 2020

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.

Reinvestment Fund is valued at cost plus accrued interest.

The following presents assets measured at fair value on a recurring basis as of June 30, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Individual Equity Securities	\$ 4,870,010	\$ -	\$ -	\$4,870,010
Individual Fixed Income Securities	1,564,758	-	-	1,564,758
Reinvestment Fund	-	-	304,091	304,091
	<u>\$ 6,434,768</u>	<u>\$ -</u>	<u>\$304,091</u>	<u>\$6,738,859</u>

HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2021 and 2020

4. Fair Value Measurement (continued)

The following presents assets measured at fair value on a recurring basis as of June 30, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Individual Equity Securities	\$ 3,373,300	\$ -	\$ -	\$3,373,300
Individual Fixed Income Securities	1,784,416	-	-	1,784,416
Reinvestment Fund	-	-	304,101	304,101
	<u>\$ 5,157,716</u>	<u>\$ -</u>	<u>\$ 304,101</u>	<u>\$ 5,461,817</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	\$ 358,077
Investments	<u>6,738,859</u>
Total financial assets	<u>\$ 7,096,936</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.

6. Reclassifications

Certain reclassifications have been made to the 2020 financial statements to conform to 2021 presentation.

7. COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the new strain of the coronavirus (COVID-19) a global pandemic. Federal, state, and local governments have since implemented various restrictions, including travel restrictions, border closings, restrictions on public gatherings, quarantining of people who may have been exposed to the virus, shelter-in-place restrictions and limitations on business operations. The full extent to which the COVID-19 pandemic will impact our results is unknown and evolving, and will depend on future developments, which are highly uncertain and cannot be predicted.