

**HOMELESS ASSISTANCE FUND, INC.**

**FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2024**



**HOMELESS ASSISTANCE FUND, INC.**  
**TABLE OF CONTENTS**  
**YEAR ENDED JUNE 30, 2024**

	<u>Page</u>
<b>INDEPENDENT ACCOUNTANT’S REVIEW REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7



## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors  
Homeless Assistance Fund, Inc.  
Philadelphia, Pennsylvania

We have reviewed the accompanying financial statements of Homeless Assistance Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

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 related to our review.

Board of Directors  
Homeless Assistance Fund, Inc.

**Accountant's Conclusion**

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*J. Miller & Associates, LLC*

**J. MILLER & ASSOCIATES, LLC**

Philadelphia, Pennsylvania  
September 12, 2024

**HOMELESS ASSISTANCE FUND, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

**ASSETS**

Cash and cash equivalents	\$ 440,221
Investments	<u>6,064,756</u>
<b>TOTAL ASSETS</b>	<b><u><u>\$ 6,504,977</u></u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accrued expenses	\$ 213,758
Deferred excise tax liability	<u>13,688</u>
<b>TOTAL LIABILITIES</b>	<b><u>227,446</u></b>

**NET ASSETS**

Without donor restrictions	<u>6,277,531</u>
<b>TOTAL NET ASSETS</b>	<b><u>6,277,531</u></b>

<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u><u>\$ 6,504,977</u></u></b>
---	-----------------------------------

**HOMELESS ASSISTANCE FUND, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2024**

	<u>Without Donor Restrictions</u>
<b>REVENUE AND SUPPORT</b>	
Net investment return	\$ 690,558
Contributions	<u>120</u>
<b>Total Revenue and Support</b>	<u>690,678</u>
<b>EXPENSES</b>	
Program Services	<u>233,594</u>
	233,594
Supporting Services	
Management and general	<u>72,306</u>
<b>Total Expenses</b>	<u>305,900</u>
<b>CHANGE IN NET ASSETS</b>	384,778
<b>NET ASSETS</b>	
Beginning of year	<u>5,892,753</u>
<b>End of year</b>	<u><u>\$ 6,277,531</u></u>

**HOMELESS ASSISTANCE FUND, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Grants	\$ 210,000	\$ -	\$ 210,000
Contract services	23,594	47,188	70,782
Memberships	-	950	950
Insurance	-	1,076	1,076
Professional fees	-	2,249	2,249
Supplies and meeting costs	-	3,785	3,785
Taxes	-	17,058	17,058
<b>Total expenses</b>	<b>\$ 233,594</b>	<b>\$ 72,306</b>	<b>\$ 305,900</b>

*See accompanying Notes to Financial Statements.*

**HOMELESS ASSISTANCE FUND, INC.  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2024**

**CASH FLOWS FROM OPERATING ACTIVITIES**

<b>Change in Net Assets</b>	\$ 384,778
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities	
Realized and unrealized gains	(565,497)
(Increase) decrease in current liabilities	
Accrued expenses	(642)
Deferred tax liability	13,688
<b>Net cash used for operating activities</b>	<u>(167,673)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sales of investments	2,150,508
Purchase of investments	<u>(2,011,310)</u>
<b>Net cash provided by investing activities</b>	<u>139,198</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (28,475)

**CASH AND CASH EQUIVALENTS**

Beginning of year	<u>468,696</u>
<b>End of year</b>	<u>\$ 440,221</u>

**Supplemental disclosure:**

Cash paid for excise taxes	<u>\$ 1,562</u>
----------------------------	-----------------



**HOMELESS ASSISTANCE FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1            NATURE OF ORGANIZATION**

Homeless Assistance Fund, Inc. (“HAFI”) was incorporated in October 2003 in the Commonwealth of Pennsylvania as a nonprofit corporation. 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 supported returns on its investments.

**NOTE 2            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

HAFI prepares their financial statements on the accrual basis in accordance with accounting principles generally accepted in the United States (GAAP). Net assets consist of the following:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor or certain grantor) restrictions. Net assets generally result from investment income and gains, less expenses incurred in providing management and general expenses. At times, the governing board can designate, from net assets without donor restrictions, net assets for various purposes.

*Net Assets With Donor Restrictions* – Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. At June 30, 2024, HAFI did not have any net assets with donor restrictions.

**Income Taxes**

HAFI is exempt from federal and state income taxes (except taxes on unrelated business income) under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and is classified by the Internal Revenue Service as a private foundation. No provision for income taxes is required for the year ended June 30, 2024. IRS Section 4940(a), however, imposes a 1.39% tax on net investment income, which includes gains realized on the sale of investments. Excise tax amounted to \$3,828 for the year ended June 30, 2024.

HAFI records a deferred excise tax liability on 1.39% of net unrealized investment gains. At June 30, 2024, HAFI recorded a deferred excise tax liability in the amount of \$13,688.

**HOMELESS ASSISTANCE FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2                   SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentration of Credit Risk**

HAFI occasionally maintains deposits in excess of federally insured limits. Accounting Standards Codification (ASC) 825, *Financial Instruments*, identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by monitoring the financial institution in which deposits are made.

**Cash and Cash Equivalents**

Cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted for long-term purposes are excluded from this definition.

**Investments**

Investments are stated at fair value (see Note 5).

**Functional Expenses**

The costs of providing program and supporting services have been summarized on a functional basis in the statement of functional expenses. Grant expenses are identified as program expenses. All other costs are identified as management and general expenses.

**NOTE 3                   LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$     440,221
Investments	6,064,756
Less: Illiquid investments	(353,916)
	<u>\$   6,151,061</u>

HAFI manages its liquidity to be able to meet its grant-making and general expenditures. Cash and cash equivalents and investments are the primary liquid resources used by HAFI to meet these obligations.

**HOMELESS ASSISTANCE FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 INVESTMENTS**

A summary of investments at June 30, 2024 is as follows:

	Cost	Market
Equities	\$ 2,943,231	\$ 4,026,300
Fixed income	1,782,843	1,684,540
Reinvestment Fund	303,916	303,916
Loan receivable	50,000	50,000
	<b>\$ 5,079,990</b>	<b>\$ 6,064,756</b>
Unrealized Appreciation		
End of year		\$ 984,766
Beginning of year		579,305
Change in unrealized appreciation		405,461
Realized gain for the year		160,036
Interest and dividends, net of investment fees		125,061
Total return		<b>\$ 690,558</b>

HAFI employs a board-approved Investment Policy Statement (IPS), including an asset allocation, to guide the management of the investments.

Reinvestment Fund (RF) is a federally certified community development financial institution (CDFI) that develops partnerships and financial tools to ensure equitable access to opportunity. RF'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.

HAFI has a loan agreement with a Pennsylvania nonprofit organization in the amount of \$50,000. It is for a five-year term, with interest payable on September 1 each year at the rate of 4%. The funds are to be used to acquire and develop sites to create affordable housing. The note is due June 13, 2027.

**NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS**

HAFI utilized various methods to measure the fair value of its financial instruments on a recurring basis. Generally accepted accounting principles establish a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are described as follows:

**HOMELESS ASSISTANCE FUND, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 5 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

*Level 1* – Unadjusted quoted prices in active markets for identical assets or liabilities that the HAFI has the ability to access.

*Level 2* – Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates, and similar data.

*Level 3* – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing HAFI’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The inputs methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The summary of inputs used to value HAFI’s financial instruments as of June 30, 2024 is as follows:

	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total
Equities	\$ 4,026,300	\$ -	\$ -	\$ 4,026,300
Fixed income	1,684,540	-	-	1,684,540
Reinvestment Fund	-	-	303,916	303,916
Loan receivable	-	-	50,000	50,000
	<u>\$ 5,710,840</u>	<u>\$ -</u>	<u>\$ 353,916</u>	<u>\$ 6,064,756</u>

The changes in investments measured at fair value for which HAFI used Level 3 inputs to determine fair value are as follows:

	Reinvestment Fund	Loan Receivable
Balances as of July 1, 2023	\$ 303,905	\$ 50,000
Realized and unrealized gains	11	-
Balances as of June 30, 2024	<u>\$ 303,916</u>	<u>\$ 50,000</u>

**HOMELESS ASSISTANCE FUND, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 6           SUBSEQUENT EVENTS**

The HAFI has evaluated subsequent events through September 12, 2024 which is the date the financial statements were available to be issued.