

HOMELESS ASSISTANCE FUND, INC.

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2025 AND 2024



HOMELESS ASSISTANCE FUND, INC.
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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 positions as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years 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
August 25, 2025

HOMELESS ASSISTANCE FUND, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 251,975	\$ 440,221
Program related notes receivable	200,000	50,000
Interest receivable	3,130	-
Other receivable	1,846	-
Investments	<u>6,180,071</u>	<u>6,014,756</u>
TOTAL ASSETS	<u>\$ 6,637,022</u>	<u>\$ 6,504,977</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued expenses	\$ 218,064	\$ 213,758
Deferred excise tax liability	<u>15,450</u>	<u>13,688</u>
TOTAL LIABILITIES	<u>233,514</u>	<u>227,446</u>
NET ASSETS		
Without donor restrictions	<u>6,403,508</u>	<u>6,277,531</u>
TOTAL NET ASSETS	<u>6,403,508</u>	<u>6,277,531</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,637,022</u>	<u>\$ 6,504,977</u>

HOMELESS ASSISTANCE FUND, INC.
STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2025 AND 2024

	Without Donor Restrictions	
	2025	2024
REVENUE AND SUPPORT		
Net investment return	\$ 504,520	\$ 690,558
Other income	3,796	-
Contributions	-	120
Total Revenue and Support	<u>508,316</u>	<u>690,678</u>
EXPENSES		
Program Services	310,308	233,594
	<u>310,308</u>	<u>233,594</u>
Supporting Services		
Management and general	72,031	72,306
Total Expenses	<u>382,339</u>	<u>305,900</u>
CHANGE IN NET ASSETS	125,977	384,778
NET ASSETS		
Beginning of year	<u>6,277,531</u>	<u>5,892,753</u>
End of year	<u>\$ 6,403,508</u>	<u>\$ 6,277,531</u>

HOMELESS ASSISTANCE FUND, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Management			Management		
	Program Services	and General	Total	Program Services	and General	Total
Grants	\$ 286,000	\$ -	\$ 286,000	\$ 210,000	\$ -	\$ 210,000
Contract services	24,308	48,616	72,924	23,594	47,188	70,782
Memberships	-	950	950	-	950	950
Insurance	-	1,076	1,076	-	1,076	1,076
Professional fees	-	9,839	9,839	-	2,249	2,249
Supplies and meeting costs	-	2,506	2,506	-	2,465	2,465
Excise taxes	-	6,676	6,676	-	17,058	17,058
All other costs	-	2,368	2,368	-	1,320	1,320
Total expenses	\$ 310,308	\$ 72,031	\$ 382,339	\$ 233,594	\$ 72,306	\$ 305,900

See accompanying Notes to Financial Statements.

HOMELESS ASSISTANCE FUND, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 125,977	\$ 384,778
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities		
Realized and unrealized gains	(376,591)	(565,497)
Increase (decrease) in current assets:		
Interest receivable	(3,130)	-
Other receivable	(1,846)	-
Increase (decrease) in current liabilities		
Accrued expenses	4,306	(642)
Deferred tax liability	1,762	13,688
Net cash used for operating activities	<u>(249,522)</u>	<u>(167,673)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	1,209,796	2,150,508
Purchase of investments	(998,520)	(2,011,310)
Program related notes receivable	(150,000)	-
Net cash provided by investing activities	<u>61,276</u>	<u>139,198</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(188,246)	(28,475)
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>440,221</u>	<u>468,696</u>
End of year	<u>\$ 251,975</u>	<u>\$ 440,221</u>
Supplemental disclosure:		
Cash paid for excise taxes	<u>\$ 2,000</u>	<u>\$ 1,562</u>

**HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 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 by 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 \$5,279 and \$1,706 for the years ended June 30, 2025 and 2024, respectively.

HAFI records a deferred excise tax liability on 1.39% of net unrealized investment gains. At June 30, 2025 and 2024, HAFI recorded a deferred excise tax liability in the amounts of \$15,450 and \$13,688, respectively.

**HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 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 6).

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:

	2025	2024
Cash and cash equivalents	\$ 251,975	\$ 440,221
Investments	6,180,071	6,014,756
Less: Illiquid investments	(1,158,021)	(1,155,021)
	<u><u>\$ 5,274,025</u></u>	<u><u>\$ 5,299,956</u></u>

**HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 3

LIQUIDITY AND AVAILABILITY (CONTINUED)

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.

NOTE 4

PROGRAM RELATED NOTES RECEIVABLE

HAFI makes program-related investments (PRIs) to further its exempt purposes. PRIs are investments made primarily to accomplish charitable objectives rather than to produce income. While some return of principal or income may be realized, the production of income is not a significant purpose of these investments. PRIs are reported at the amount of outstanding principal, net of any allowance for uncollectible amounts.

Program related notes receivable consist of the following at June 30, 2025 and 2024:

	2025	2024
Women's Community Revitalization Project, \$50,000 loan dated June 13, 2022, interest payable annually each September 1 at 4%, maturity date of June 13, 2027. The funds are to be used to acquire and develop sites to create affordable housing.	\$ 50,000	\$ 50,000
Pathways to Housing PA, \$50,000 loan dated September 20, 2024, interest payable annually each September 1 at 3%, maturity date of September 20, 2026. The funds are to be used to finance predevelopment expenses related to the creation and preservation of permanently affordable homes for low-income families and individuals.	50,000	-
Xiente, \$50,000 loan dated April 21, 2025, interest payable annually each September 1 at 3%, maturity date of April 21, 2035. The funds are to be used to fund costs associated with construction for Mi Casa Phase II affordable housing project.	50,000	-
Pathways to Housing PA, \$50,000 loan dated June 18, 2025, interest payable annually each September 1 at 3%, maturity date of June 18, 2027. The funds are to be used for predevelopment expenses related to Phase II of the 17th St. Community Corridor Project.	50,000	-
	<u>\$ 200,000</u>	<u>\$ 50,000</u>

HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 5 INVESTMENTS

Investments consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Equities	\$ 4,144,050	\$ 4,026,300
Fixed income	1,731,000	1,684,540
Reinvestment Fund	305,021	303,916
	<u>\$ 6,180,071</u>	<u>\$ 6,014,756</u>

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 Philalmpact 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.

NOTE 6 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:

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.

HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 5

FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

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, 2025 and 2024 are as follows:

	Year Ended June 30, 2025				Total
	Level 1	Level 2	Level 3		
Equities	\$ 4,144,050	\$ -	\$ -	\$ 4,144,050	
Fixed income	1,731,000	-	-	1,731,000	
Reinvestment Fund	-	-	305,021	305,021	
	<u><u>\$ 5,875,050</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 305,021</u></u>	<u><u>\$ 6,180,071</u></u>	

	Year Ended June 30, 2024				Total
	Level 1	Level 2	Level 3		
Equities	\$ 4,026,300	\$ -	\$ -	\$ 4,026,300	
Fixed income	1,684,539	-	-	1,684,539	
Reinvestment Fund	-	-	303,916	303,916	
	<u><u>\$ 5,710,839</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 303,916</u></u>	<u><u>\$ 6,014,755</u></u>	

NOTE 6

FEDERAL EXCISE TAX

HAFI is a private foundation as defined under Section 509(a) of the Internal Revenue Code and is subject to a federal excise tax of 1.39% on its net investment income, as defined by the Code. Excise tax expense of \$6,676 and \$17,058 was recorded for the years ended June 30, 2025 and 2024, respectively. The related liability of \$2,914 is included in accrued expenses on the statement of financial position at June 30, 2025.

The provision of tax expense in the statement of activities consists of the following components:

	2025	2024
Current	\$ 4,914	\$ 3,370
Deferred	1,762	13,688
	<u><u>\$ 6,676</u></u>	<u><u>\$ 17,058</u></u>

**HOMELESS ASSISTANCE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 7

SUBSEQUENT EVENTS

The HAFI has evaluated subsequent events through August 25, 2025 which is the date the financial statements were available to be issued.

