



Housing Alliance
of Pennsylvania

HOUSING ALLIANCE OF PENNSYLVANIA

Financial Statements

June 30, 2024 and 2023

With Independent Auditor's Report

Housing Alliance of Pennsylvania
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Housing Alliance of Pennsylvania:

Opinion

We have audited the financial statements of Housing Alliance of Pennsylvania, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Housing Alliance of Pennsylvania as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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 Housing Alliance of Pennsylvania and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Housing Alliance of Pennsylvania'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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America, 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 Housing Alliance of Pennsylvania'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 Housing Alliance of Pennsylvania'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.

Report on Summarized Comparative Information

Housing Alliance of Pennsylvania's 2023 financial statements were previously audited by BBD, LLP, who joined with WithumSmith+Brown, PC on April 1, 2024, and expressed an unmodified audit opinion on those audited financial statements in their report dated January 30, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.



April 17, 2025

Housing Alliance of Pennsylvania
Statement of Financial Position
June 30, 2024 With Comparative Totals for 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash	\$ 751,167	\$ 543,103
Restricted cash - agency held	20,236	19,917
Investments	55,153	52,745
Grants receivable - restricted	100,000	150,000
Other receivables	62,363	255,578
Prepaid expenses	38,542	45,276
Total current assets	<u>1,027,461</u>	<u>1,066,619</u>
Noncurrent assets		
Grants receivable, net of current portion	- -	100,000
Total noncurrent assets	<u>- -</u>	<u>100,000</u>
Total assets	<u>\$ 1,027,461</u>	<u>\$ 1,166,619</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 57,288	\$ 133,019
Deferred revenue	27,703	- -
Funds held in agency	20,236	19,917
Total liabilities	<u>105,227</u>	<u>152,936</u>
Net assets		
Without donor restrictions	500,079	506,686
With donor restrictions	422,155	506,997
Total net assets	<u>922,234</u>	<u>1,013,683</u>
Total liabilities and net assets	<u>\$ 1,027,461</u>	<u>\$ 1,166,619</u>

The Notes to the Financial Statements are an integral part of this statement.

Housing Alliance of Pennsylvania
Statement of Activities and Changes in Net Assets
Year Ended June 30, 2024 With Comparative Totals for 2023

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2024	2023
Revenue and Support				
Contributions and grants	\$ 133,455	\$ 357,655	\$ 491,110	\$ 551,181
Conference income				
Sponsorships	298,055	-	298,055	325,750
Registration and other fees	242,129	-	242,129	200,230
Contract revenue	321,588	-	321,588	685,802
Membership dues	61,025	-	61,025	67,715
Training income				
Registration and other fees	1,500	-	1,500	3,107
Miscellaneous	61	-	61	49,691
Investment income	3,093	-	3,093	2,553
Net assets released from restrictions	<u>442,497</u>	<u>(442,497)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,503,403</u>	<u>(84,842)</u>	<u>1,418,561</u>	<u>1,886,029</u>
Expenses				
Program services	<u>1,289,707</u>	<u>-</u>	<u>1,289,707</u>	<u>1,755,216</u>
Supporting services				
Management and general	168,810	-	168,810	182,824
Fundraising	<u>51,493</u>	<u>-</u>	<u>51,493</u>	<u>28,603</u>
Total supporting services	<u>220,303</u>	<u>-</u>	<u>220,303</u>	<u>211,427</u>
Total expenses	<u>1,510,010</u>	<u>-</u>	<u>1,510,010</u>	<u>1,966,643</u>
Changes in net assets	(6,607)	(84,842)	(91,449)	(80,614)
Net assets				
Beginning of year	<u>506,686</u>	<u>506,997</u>	<u>1,013,683</u>	<u>1,094,297</u>
End of year	<u>\$ 500,079</u>	<u>\$ 422,155</u>	<u>\$ 922,234</u>	<u>\$ 1,013,683</u>

The Notes to the Financial Statements are an integral part of this statement.

Housing Alliance of Pennsylvania
Statement of Functional Expenses
Year Ended June 30, 2024 With Comparative Totals for 2023

	Program Services	Management and General	Fundraising	Totals	
				2024	2023
Salaries and payroll taxes	\$ 588,457	\$ 103,342	\$ 42,275	\$ 734,074	\$ 674,484
Employee benefits	65,670	11,582	4,738	81,990	80,368
Total personnel expenses	<u>654,127</u>	<u>114,924</u>	<u>47,013</u>	<u>816,064</u>	<u>754,852</u>
Bank service fees	3,976	701	287	4,964	3,079
Books and subscriptions	9,779	-	-	9,779	11,279
Conference	284,566	282	115	284,963	247,014
Contracted services	257,126	36,276	228	293,630	801,592
Database subscription	8,595	2,865	-	11,460	12,825
Equipment lease and repair	2,066	364	149	2,579	2,365
Insurance	-	3,727	-	3,727	1,870
Meetings	9,924	-	-	9,924	6,660
Memberships	1,872	330	135	2,337	6,001
Occupancy	11,293	1,992	815	14,100	10,488
Office	12,607	2,848	910	16,365	25,056
Professional fees	-	-	-	-	34,692
Telephone	1,820	321	131	2,272	2,161
Bad debt	8,257	-	-	8,257	
Travel	<u>23,699</u>	<u>4,180</u>	<u>1,710</u>	<u>29,589</u>	<u>46,709</u>
Total non-personnel expenses	<u>635,580</u>	<u>53,886</u>	<u>4,480</u>	<u>693,946</u>	<u>1,211,791</u>
 Total expenses	 <u>\$ 1,289,707</u>	 <u>\$ 168,810</u>	 <u>\$ 51,493</u>	 <u>\$ 1,510,010</u>	 <u>\$ 1,966,643</u>

The Notes to the Financial Statements are an integral part of this statement.

Housing Alliance of Pennsylvania
Statement of Cash Flows
Year Ended June 30, 2024 With Comparative Totals for 2023

	2024	2023
Operating activities		
Change in net assets	\$ (91,449)	\$ (80,614)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Realized and unrealized gain on investments	(791)	(709)
Changes in assets and liabilities		
Grants receivable	150,000	150,000
Other receivables	193,215	(15,968)
Prepaid expenses	6,734	(2,656)
Accounts payable and accrued expenses	(75,731)	(58,108)
Deferred revenue	27,703	(50,511)
Funds held in agency	319	1,885
Net cash provided by (used in) operating activities	<u>210,000</u>	<u>(56,681)</u>
Investing activities		
Purchase of investments	<u>(1,617)</u>	<u>(1,031)</u>
Net cash used in investing activities	<u>(1,617)</u>	<u>(1,031)</u>
Net change in cash and restricted cash	208,383	(57,712)
Cash and restricted cash		
Beginning of year	<u>563,020</u>	<u>620,732</u>
End of year	<u>\$ 771,403</u>	<u>\$ 563,020</u>
Supplemental disclosure of cash flow information		
Reconciliation of cash and restricted cash		
Cash	\$ 751,167	\$ 543,103
Restricted cash	20,236	19,917
	<u>\$ 771,403</u>	<u>\$ 563,020</u>

The Notes to the Financial Statements are an integral part of this statement.

Housing Alliance of Pennsylvania
Notes to Financial Statements
June 30, 2024 With Comparative Totals for 2023

1. NATURE OF OPERATIONS

Housing Alliance of Pennsylvania ("HAP") is a nonprofit membership organization that receives grants and contributions primarily from foundations and corporations to work towards ensuring that all Pennsylvanians, especially those with low incomes, have access to safe, decent and affordable housing. HAP conducts research, policy analysis and provides education on affordable housing issues. HAP builds partnerships throughout the Commonwealth of Pennsylvania to broaden the base of support for affordable housing.

2. SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Basis of Accounting

The financial statements of HAP are prepared on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America ("GAAP").

Basis of Presentation

HAP reports information regarding its financial position and activities according to the following classes of net assets as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expensed for any purpose in performing the primary objectives of HAP. These net assets may be used at the discretion of HAP's management and Board of Directors.

Net assets with donor restrictions: Net assets that are subject to donor-imposed restrictions that will be satisfied by actions of HAP and/or the passage of time. When a restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

This category also includes net assets that are subject to donor-imposed restrictions that neither expire by passage of time nor can be satisfied by actions of HAP.

Summarized Prior-Year Information

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with HAP's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

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 disclosure 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.

Agency Fund

HAP administers funds as a fiscal agent for Women in Housing Finance during the years ended June 30, 2024, and 2023.

Concentration of Credit Risk

Cash represents a financial instrument that potentially subjects HAP to concentration of credit risk. HAP has cash balances at financial institutions that may exceed the federally insured limit of \$250,000. Any loss incurred or lack of access to such funds could have a significant adverse impact on HAP's financial condition, changes in net assets and cash flows.

Housing Alliance of Pennsylvania
Notes to Financial Statements
June 30, 2024 With Comparative Totals for 2023

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains and losses included in the statement of activities. Dividend and interest income is recorded as earned.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, based on the market decline, and that such changes could materially affect the amount reported in HAP's statement of financial position.

Fair Value Measurements of Assets and Liabilities

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of HAP. Unobservable inputs reflect HAP's assumptions about the inputs market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that HAP has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these assets and liabilities does not require a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable, that is, inputs that reflect HAP's own assumptions.

Grants and Other Receivables

Grants and other receivables are reported at their estimated net realizable amounts. Management performs ongoing evaluations for potential credit losses. Receivables that are still outstanding after management has used reasonable collection efforts are written off through a charge to earnings and a credit to grants and other receivables. HAP does not charge interest on outstanding balances and does not require collateral.

Property and Equipment

Purchased property and equipment are recorded at cost less accumulated depreciation. Donated property and equipment are recorded as contributions at fair value as of the date of receipt. Maintenance and repairs are charged to expense as incurred.

Impairment of Long-Lived Assets

HAP reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. Impairment is present when the sum of undiscounted estimated future cash flows expected to result from use of the assets is less than carrying value. If impairment is present, the carrying value of the impaired asset is reduced to its fair value. Fair value is determined based on discounted cash flows or appraised values, depending on the nature of the assets. During the year ended June 30, 2024, there was no impairment losses recognized for long-lived assets.

Housing Alliance of Pennsylvania
Notes to Financial Statements
June 30, 2024 With Comparative Totals for 2023

Revenue and Other Support Recognition

Contributions, Grants, and Contract Revenues

HAP recognizes grants and contributions, including unconditional promises to give, as revenue in the period received. Conditional promises to give, including contract revenue, are those with a measurable performance or other barrier and a right of return or release, and are not recognized in revenue until the conditions on which they depend have been substantially met. Grants and contributions, net assets, and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions.

When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted grants and contributions whose restrictions are satisfied in the same period are reported as without donor restrictions.

Membership Dues

Membership dues are composed of an exchange element based on the benefits received and include membership benefits that represent the performance obligations. Performance obligations related to member benefits are satisfied throughout the membership period, as member benefits are received and consumed simultaneously during the membership period. Such membership dues are recognized ratably over the applicable dues period. Membership dues received that are applicable to the following year are included in deferred revenues in the accompanying statement of financial position.

Conference and Registration Fees

Conference and training registrations and other fees are recognized as revenue in the period in which the conference or training program is held which is when the sole performance obligation is satisfied. Registration and other fees collected in advance are included in deferred revenues in the accompanying statement of financial position.

Functional Allocation of Expenses

The costs of providing the various program and supporting services have been presented on a functional basis in the statement of activities and detailed by natural classification in the statement functional expenses. Expenses directly attributable to a specific functional area are reported as expenses of that functional area. Expenses not directly attributable to a specific functional area are allocated based upon estimates of time and effort.

Income Tax Status

HAP qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and no provision or liability for income taxes is included in the accompanying financial statements. HAP qualifies for the charitable contribution deduction under Code Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

HAP has adopted an accounting standard regarding uncertain tax positions. The standard prescribes a minimum threshold that a tax position is required to meet in order to be recognized in the financial statements. HAP believes that it had no uncertain tax positions and has no income tax related penalties or interest for the periods presented in the financial statements. Should penalties and interest be incurred, HAP's policy is to recognize them as general and administrative expenses on the statements of activities and functional expenses.

Housing Alliance of Pennsylvania
Notes to Financial Statements
June 30, 2024 With Comparative Totals for 2023

3. INVESTMENTS

Investments at June 30, 2024 and 2023, consisted of mutual and exchange traded funds. The fair value of investments was estimated based upon Level 1 inputs as described above.

	2024	2023
Money market funds	\$ 1,083	\$ 2,475
Mutual funds		
Equity	10,930	18,368
Fixed income	35,050	22,545
Exchange traded funds		
Equity	3,139	4,800
Fixed income	<u>4,951</u>	<u>4,557</u>
	<u>\$ 55,153</u>	<u>\$ 52,745</u>

Investment income (loss) consisted of the following for the years ended June 30, 2024 and 2023:

	2024	2023
Interest and dividend income	\$ 2,302	\$ 1,844
Unrealized gain	<u>791</u>	<u>709</u>
	<u>\$ 3,093</u>	<u>\$ 2,553</u>

4. GRANTS RECEIVABLE

During 2021, HAP received an \$800,000 unrestricted grant from one grantor to be received in five annual installments of \$200,000 for the first two years, \$150,000 for years three and four and \$100,000 in the final year, which was recorded as a grant receivable in the accompanying statement of financial position when the unconditional promise to give was received.

HAP has not recorded a discount on grants receivable in more than one year because management has determined that the discount is not significant to the financial statements.

Grants receivable were as follows at June 30, 2024 and 2023:

	2024	2023
In less than one year	\$ 100,000	\$ 150,000
In one to five years	<u>-</u>	<u>100,000</u>
	<u>\$ 100,000</u>	<u>\$ 250,000</u>

Housing Alliance of Pennsylvania
Notes to Financial Statements
June 30, 2024 With Comparative Totals for 2023

5. PROPERTY AND EQUIPMENT

HAP's property and equipment consisted of the following at June 30, 2024 and 2023:

	2024	2023
Equipment	\$ 38,580	\$ 38,580
Furniture	<u>11,786</u>	<u>11,786</u>
	50,366	50,366
Less: Accumulated depreciation	<u>(50,366)</u>	<u>(50,366)</u>
	<u>\$ -</u>	<u>\$ -</u>

6. LINE OF CREDIT

HAP has a \$75,000 unsecured line of credit with a bank. Advances on the credit line are payable on demand and carry an interest rate of 12.10%. The line renews annually with a maturity date of April 4, 2025. There was no outstanding balance at June 30, 2024 or 2023.

7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at June 30, 2024 and 2023, consisted of contributions received that were restricted for the following purposes:

Purpose Restrictions	Balance	Additions	Releases	Balance
	June 30, 2023			June 30, 2024
Conferences and training	\$ 57,750	\$ 27,655	\$ (57,750)	\$ 27,655
Research and education	100,000	285,000	(135,500)	249,500
Low-income housing support	36,000	-	(36,000)	-
Advocacy	20,000	-	(20,000)	-
Small landlord business and land bank program	42,750	45,000	(42,750)	45,000
Other	497		(497)	-
				-
Time Restrictions				
General operating support	<u>250,000</u>	<u>-</u>	<u>(150,000)</u>	<u>100,000</u>
	<u>\$ 506,997</u>	<u>\$ 357,655</u>	<u>\$ (442,497)</u>	<u>\$ 422,155</u>

Purpose Restrictions	Balance	Additions	Releases	Balance
	June 30, 2022			June 30, 2023
Conferences and training	\$ 28,500	\$ 57,750	\$ (28,500)	\$ 57,750
Research and education	77,500	100,000	(77,500)	100,000
Low-income housing support	75,600	36,000	(75,600)	36,000
Advocacy	20,000	20,000	(20,000)	20,000
Small landlord business and land bank program	67,000	42,750	(67,000)	42,750
Other	1,984	497	(1,984)	497
				-
Time Restrictions				
General operating support	<u>400,000</u>	<u>-</u>	<u>(150,000)</u>	<u>250,000</u>
	<u>\$ 670,584</u>	<u>\$ 256,997</u>	<u>\$ (420,584)</u>	<u>\$ 506,997</u>

Housing Alliance of Pennsylvania
Notes to Financial Statements
June 30, 2024 With Comparative Totals for 2023

8. PENSION PLAN

HAP sponsors a defined contribution retirement plan for all eligible employees. Employees may defer from federal income a percentage of their compensation and HAP, at its discretion, may make contributions. Discretionary contributions made to the plan, included in employee benefits, during the years ended June 30, 2024 and 2023 were \$21,636 and \$17,885, respectively.

9. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects HAP's financial assets as of the statement of financial position date and the amounts that are available within one year.

	2024	2023
Cash	\$ 751,167	\$ 543,103
Investments	55,153	52,745
Grants receivable	100,000	150,000
Other receivables	<u>62,363</u>	<u>255,578</u>
Total financial assets	968,683	1,001,426
Available resources		
Undrawn line of credit	75,000	75,000
Less: Amounts not available for general expenditure within one year		
Net assets with donor restrictions	<u>(422,155)</u>	<u>(506,997)</u>
Financial assets and resources available for use within one year	<u>\$ 621,528</u>	<u>\$ 569,429</u>

As part of HAP's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

10. SUBSEQUENT EVENTS

HAP has evaluated subsequent events occurring after the statement of financial position date and through April 17, 2025, which is the date which the financial statements were available to be issued. HAP had no subsequent events which required adjustment to or disclosure in the financial statements.