

URBAN ALCHEMY
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2023 AND 2022



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**URBAN ALCHEMY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Urban Alchemy
San Francisco, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Urban Alchemy (a California nonprofit corporation) (the Organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, on July 1, 2022, the Organization adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

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 the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 the Organization'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 the Organization'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.



CliftonLarsonAllen LLP

Irvine, California
March 6, 2024

URBAN ALCHEMY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 3,712,904	\$ 2,908,008
Governmental Contributions Receivable	11,090,284	6,644,634
Grants and Contributions Receivable	500,000	1,000,000
Prepaid Expenses and Other Assets	351,421	58,940
Property and Equipment, Net	95,756	112,609
Operating Right-of-Use Asset	9,095,063	-
	\$ 24,845,428	\$ 10,724,191
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 6,156,637	\$ 4,859,073
Deferred Revenue	2,096,224	201,800
Debt	1,600,000	500,000
Current Portion Lease Liability	2,630,842	-
Long-Term Lease Liability	6,555,056	-
Total Liabilities	19,038,759	5,560,873
NET ASSETS		
Without Donor Restrictions	4,994,770	3,976,827
With Donor Restrictions	811,899	1,186,491
Total Net Assets	5,806,669	5,163,318
Total Liabilities and Net Assets	\$ 24,845,428	\$ 10,724,191

See accompanying Notes to Financial Statements.

**URBAN ALCHEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Governmental Contributions	\$ 68,643,197	\$ -	\$ 68,643,197
Grants and Contributions	691,762	311,899	1,003,661
Other Income	620,870	-	620,870
Net Assets Released from Restrictions	686,491	(686,491)	-
Total Support and Revenue	70,642,320	(374,592)	70,267,728
EXPENSES			
Program Services	61,085,065	-	61,085,065
Management and General	8,181,261	-	8,181,261
Fundraising	358,051	-	358,051
Total Expenses	69,624,377	-	69,624,377
CHANGE IN NET ASSETS	1,017,943	(374,592)	643,351
Net Assets - Beginning of Year	3,976,827	1,186,491	5,163,318
NET ASSETS - END OF YEAR	\$ 4,994,770	\$ 811,899	\$ 5,806,669

See accompanying Notes to Financial Statements.

**URBAN ALCHEMY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Governmental Contributions	\$ 48,007,732	\$ -	\$ 48,007,732
Grants and Contributions	1,796,095	1,186,491	2,982,586
Gain on Forgiveness of Debt	189,527	-	189,527
Net Assets Released from Restrictions	407,500	(407,500)	-
Total Support and Revenue	50,400,854	778,991	51,179,845
EXPENSES			
Program Services	45,020,871	-	45,020,871
Management and General	3,124,212	-	3,124,212
Fundraising	470,544	-	470,544
Total Expenses	48,615,627	-	48,615,627
CHANGE IN NET ASSETS	1,785,227	778,991	2,564,218
Net Assets - Beginning of Year	2,191,600	407,500	2,599,100
NET ASSETS - END OF YEAR	\$ 3,976,827	\$ 1,186,491	\$ 5,163,318

See accompanying Notes to Financial Statements.

URBAN ALCHEMY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 643,351	\$ 2,564,218
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	16,853	15,809
Bad Debt Expense	362,189	-
Non Cash Lease Expense	90,835	-
Changes in Assets and Liabilities:		
Governmental Contributions Receivable	(4,807,839)	(2,800,267)
Grants and Contributions Receivable	500,000	(592,500)
Prepaid Expenses and Other Assets	(292,481)	(23,896)
Accounts Payable and Accrued Expenses	1,297,564	2,577,153
Deferred Revenue	1,894,424	-
Advances	-	161,800
Net Cash Provided (Used) by Operating Activities	(295,104)	1,902,317
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	-	(23,490)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Promissory Note	4,500,000	500,000
Principal Payment on Promissory Note	(3,400,000)	-
Net Cash Provided by Financing Activities	1,100,000	500,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	804,896	2,378,827
Cash and Cash Equivalents - Beginning of Year	2,908,008	529,181
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,712,904	\$ 2,908,008

See accompanying Notes to Financial Statements.

URBAN ALCHEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 ORGANIZATION

Urban Alchemy (the Organization) hires individuals who were formerly incarcerated and harnesses their skills and energy to transform people and places through respect and compassion. The Organization provides services and engagement that heal communities challenged by the intersection of extreme poverty, mental illness, addiction, and homelessness. When individuals are suffering in our public spaces, the Organization offers solutions. When a neighborhood, street, or intersection earns a reputation as a place to avoid, the Organization turns it around. The Organization's staff, known as Practitioners, create a peaceful and supportive presence, helping our communities rebuild a sense of pride one person at a time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting to conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to nonprofit entities. Net assets, revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein have been classified and are reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions, donor-restricted contributions whose restrictions are met in the same reporting period, and net assets designated by the board of directors for specific purposes.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are released from restrictions when the assets are placed in service. 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. The Organization has no net assets with donor restrictions.

Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

URBAN ALCHEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

Property and Equipment

Property and equipment that is purchased or constructed is stated at cost; assets acquired by gift or bequest are stated at fair value at the date of acquisition. The Organization uses the straight-line method for the computation of depreciation of long-lived assets according to the following schedule of useful lives:

Vehicles	7 Years
Leasehold Improvement	15 Years

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements during the year ended June 30, 2023.

Advances

Payments under contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively.

Revenue and Revenue Recognition

Contributions and grants are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give that is, those with a measurable performance or other barrier and a right to return are not recognized until the conditions on which they depend have been substantially met. Payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions to be received after one year are discounted at a discount rate consistent with general principles for present value measurement. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Functional Expense Allocation

The functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using factors such as direct payroll allocation and total direct expenses.

URBAN ALCHEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Credit Concentration

The Organization manages deposit concentration risk by placing cash with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with contributions receivable and promises to give is considered to be limited due to historical collection rates and because substantial portions of the outstanding amounts are due from board members, governmental agencies, and foundations supportive of the Organization's mission.

At June 30, 2023 and 2022, four and two governmental agencies accounted for approximately 63% and 52% of governmental contributions receivable, respectively. At June 30, 2023 and 2022, one donor accounted for approximately 100% and 100% of contributions receivable, respectively. At June 30, 2023 and 2022, two and three governmental agencies accounted for approximately 61% and 62% of governmental contributions, respectively. At June 30, 2023 and 2022, two donors accounted for approximately 61% and 84% of grants and contributions, respectively.

Income Taxes

The Organization is a nonprofit corporation defined in Section 501(c)(3) of the Internal Revenue Code (IRC) and is, therefore, exempt from federal income taxation under section 501(a) of the IRC. The Organization is also exempt from state income taxation under 23701(d) of the California Revenue and Taxation Code.

GAAP provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes all of the positions taken by the Organization are more likely than not to be sustained upon examination.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through March 6, 2024, the date that these financial statements were available to be issued.

Adoption of New Accounting Standards

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent of the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

URBAN ALCHEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards (Continued)

The Organization adopted the requirements of the guidance effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement. The accounting for finance leases, if any, remained substantially unchanged as a result of implementation.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022, a lease liability of \$11,532,428, which represents the present value of the remaining operating lease payments of approximately \$12,237,000 discounted using the Organization's risk-free rate ranging from 1.02% to 5.06%, and a right-of-use asset of \$11,499,902, which represents the operating lease liability adjusted for deferred rent and initial direct costs of \$32,526.

The standard had a material impact on the statement of financial position but did not have a material impact on the statement of activities, nor statement of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

The Organization leases its facilities under noncancelable lease arrangements. The Organization determines if an arrangement is a lease at inception. In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization has obtained substantially all of the rights to the underlying asset through exclusivity, if the Organization can direct the use of the asset by making decisions about how and for what purpose the asset will be used and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the accompanying statement of financial position. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease.

URBAN ALCHEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 3 LIQUIDITY AND AVAILABILITY

As of June 30, the Organization's financial assets available for general expenditure, that is, without donor or other restriction limited their use, within one year of the statements of financial position consist of the following at June 30:

	2023	2022
Cash and Cash Equivalents	\$ 3,712,904	\$ 2,908,008
Governmental Contributions Receivable	11,090,284	6,644,634
Grants and Contributions Receivable	500,000	1,000,000
Total	15,303,188	10,552,642
Less: Subject to Expenditure for Programs	(311,899)	(186,491)
Less: Collectable After One Year	-	(500,000)
Total Available for General Expenditures	\$ 14,991,289	\$ 9,866,151

None of the financial assets are subject to donor restriction that make them unavailable for general expenditure within one year of the statement of financial position date.

NOTE 4 CONTRIBUTIONS RECEIVABLE

At June 30, 2023, contributions receivable of \$11,090,284 are expected to be collected within one year. At June 30, 2022, contributions receivable of \$7,144,634 are expected to be collected within one year. Contributions receivable of \$500,000 at June 30, 2022 are expected to be collected within two years.

NOTE 5 PROPERTY AND EQUIPMENT

As of June 30, 2023 and 2022, property and equipment consisted of the following:

	2023	2022
Vehicles	\$ 107,009	\$ 107,009
Leasehold Improvement	23,490	23,490
Subtotal	130,499	130,499
Less: Accumulated Depreciation	(34,743)	(17,890)
Property and Equipment, Net	\$ 95,756	\$ 112,609

NOTE 6 DEBT

Line of Credit

During December 2022, the Organization obtained line of credit through December 2023 for a maximum amount of \$4,000,000. The line of credit is secured by property and assets of the Organization. The line is subject to interest-only payments on outstanding unpaid principal at 8.25%. Principal is paid in full at the conclusion of the loan. On June 30, 2023, the balance on the line was \$1,600,000. During December 2023, the maturity date on line of credit was amended to March 14, 2024.

URBAN ALCHEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 6 DEBT (CONTINUED)

Line of Credit (Continued)

During December 2021, the Organization obtained line of credit through December 2022 for a maximum amount of \$500,000. The line of credit is personally guaranteed by a donor and is also secured by property of the Organization. The line is subject to interest-only payments on outstanding unpaid principal at an interest rate of 7% per annum only when principal is paid in full at the conclusion of the loan. On June 30, 2022, the balance on the line was \$500,000. On December 20, 2022, the balance of the line of credit was paid off in full with the opening of the new line noted above.

NOTE 7 LEASES – ASC 842

The Organization elected to apply the provision of FASB ASC 842 to the beginning of the period of adoption of July 1, 2022, through a cumulative effect adjustment, with certain practical expedients available. See Note 2. The organization leases office facilities as well as vehicles for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments based on set terms in lease agreement. The agreements generally require the Organization to pay real estate taxes, insurance, and repairs.

The following table provides quantitative information concerning the Organization's leases:

Operating Lease Cost	\$ 2,677,283
Short-Term Lease Cost	242,521
Total Lease Cost	<u>\$ 2,677,283</u>

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	\$ 2,610,107
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 11,499,902
Weighted-Average Remaining Lease Term - Operating Leases	3.4 Years
Weighted-Average Discount Rate - Operating Leases	2.66%

URBAN ALCHEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 LEASES – ASC 842 (CONTINUED)

The Organization classifies the total undiscounted lease payments that are due in the next 12 months as current. A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2023 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 2,840,295
2025	2,734,640
2026	2,373,886
2027	1,660,330
2028	18,426
Total Lease Payments	<u>9,627,577</u>
Less: Interest	<u>(441,679)</u>
Present Value of Lease Liabilities	<u><u>\$ 9,185,898</u></u>

NOTE 8 LEASES – ASC 840

The Company elected to apply the provisions of FASB ASC 842 to the beginning of the period adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022, are made under prior guidance in FASB ASC 840.

During March 2021, the Organization entered into a noncancelable operating lease agreement for office space in the San Francisco area. This operating lease commenced during October 2021 and will expire during September 2026. The lease is subject to an initial monthly base rent of \$8,470 set to increase 3% each September thereafter.

During March 2022, the Organization entered into a noncancelable operating lease agreement for office space in the Los Angeles area. This operating lease commenced during March 2022 and will expire during September 2025. The lease is subject to an initial monthly base rent of \$14,000 set to increase 3.5% each April thereafter.

Future minimum payments are as follow:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 267,397
2024	282,446
2025	291,797
2026	160,130
2027	28,599
Total	<u><u>\$ 1,030,369</u></u>

URBAN ALCHEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2023 and 2022, net assets with donor restrictions are restricted for the following:

	2023	2022
Subject to Passage of Time	\$ 500,000	\$ 1,000,000
Subject to Expenditure for Programs	311,899	186,491
Total	\$ 811,899	\$ 1,186,491

During the year ended June 30, 2023, net assets of \$686,491 were released from donor restrictions by occurrence of the passage of time.

NOTE 10 COMMITMENTS AND CONTINGENCIES

The Organization experiences litigation in the normal course of its business. Management does not believe that any pending or threatened litigation will have a material adverse effect on its financial statements.

NOTE 11 FUNCTIONAL ALLOCATION OF EXPENSES

At June 30, 2023 and 2022, the functional allocation of expenses was as follows:

	2023			
	Program	Management and General	Fundraising	Total
Salaries & Wages	\$ 39,842,459	\$ 1,749,752	\$ 117,581	\$ 41,709,792
Benefits	4,135,220	218,860	13,370	4,367,450
Insurance	3,579,300	1,317,325	8,803	4,905,428
Payroll Taxes	4,143,479	153,383	10,389	4,307,251
Professional Services	486,347	1,852,071	172,245	2,510,663
Program Expense	4,264,614	125,252	4,839	4,394,705
Vehicle Rentals	1,019,984	46,041	-	1,066,025
Rent & Occupancy	2,052,728	867,076	-	2,919,804
Supplies	149,166	292,446	3,167	444,779
Vehicle & Travel Expenses	356,225	43,676	5,141	405,042
Transportation	123,733	5,084	450	129,267
Bad Debt Expense	362,189	-	-	362,189
Bank Fees	36,919	6,886	2,349	46,154
Repairs & Maintenance	219,509	20,320	-	239,829
Interest Expense	-	65,936	-	65,936
Staff Development & Training	24,571	81,912	1,122	107,605
Software	13,698	183,519	18,595	215,812
Print & Shipping	1,823	1,174	-	2,997
Miscellaneous	5	1,127,844	-	1,127,849
Depreciation	16,853	-	-	16,853
Office Supplies	256,243	22,704	-	278,947
Total Expenses by Function	\$ 61,085,065	\$ 8,181,261	\$ 358,051	\$ 69,624,377

URBAN ALCHEMY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 11 FUNCTIONAL ALLOCATION OF EXPENSES (CONTINUED)

	2022			
	Program	Management and General	Fundraising	Total
Salaries and Wages	\$ 31,571,741	\$ 907,405	\$ 170,168	\$ 32,649,314
Insurance	3,624,032	264,915	19,532	3,908,479
Benefits	3,142,365	90,315	16,938	3,249,618
Payroll Taxes	2,764,036	79,441	14,898	2,858,375
Program and Supplies	2,515,827	236,403	-	2,752,230
Professional Services	279,259	959,272	221,560	1,460,091
Rent and Occupancy	396,727	267,159	-	663,886
Vehicle Rentals	474,943	-	-	474,943
Vehicle and Travel Expenses	124,074	37,739	-	161,813
Repairs and Maintenance	89,604	15,161	-	104,765
Software	-	59,807	27,448	87,255
Staff Development and Training	-	66,938	-	66,938
Transportation	22,454	28,175	-	50,629
Bank Fees	-	47,931	-	47,931
Miscellaneous	-	37,396	-	37,396
Depreciation	15,809	-	-	15,809
Interest Expense	-	13,256	-	13,256
Print and Shipping	-	12,899	-	12,899
Total Expenses by Function	\$ 45,020,871	\$ 3,124,212	\$ 470,544	\$ 48,615,627

NOTE 12 RETIREMENT PLAN

The Organization sponsors a 403(b) defined contribution retirement plan administered by the Organization and assets held with OneAmerica Financial Partners. Substantially all of the Organization's employees are covered. Eligible employees may make voluntary tax-deferred contributions up to the statutory limit. The Organization does not make any contributions.



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