

URBAN AFFAIRS COALITION
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED JUNE 30, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**URBAN AFFAIRS COALITION
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	4
STATEMENTS OF ACTIVITIES	5
STATEMENTS OF FUNCTIONAL EXPENSES	7
STATEMENTS OF CASH FLOWS	9
NOTES TO FINANCIAL STATEMENTS	10
SUPPLEMENTARY INFORMATION	
SCHEDULES OF FUNCTIONAL EXPENSES BY PROGRAM	27



INDEPENDENT AUDITORS' REPORT

Board of Directors
Urban Affairs Coalition
Philadelphia, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Urban Affairs Coalition (the Coalition), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, 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 Coalition as of June 30, 2024 and 2023, 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 Coalition 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.

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 Coalition'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:

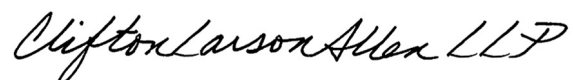
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Coalition'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 Coalition'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 Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary schedules of functional expenses by program are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
March 27, 2025

URBAN AFFAIRS COALITION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,270,771	\$ 3,810,017
Government Grants and Contracts Receivable, Net	17,513,550	18,289,925
Program Service Receivable	573,894	434,328
Allowance for Credit Losses	<u>(23,115)</u>	<u>(6,811)</u>
Total Program Service Receivable	550,779	427,517
Pledge Receivable	50,000	-
Reserve for Unemployment Claims	219,863	83,696
Notes Receivable	241,254	237,537
Allowance for Credit Losses	<u>(116,937)</u>	<u>(88,841)</u>
Total Notes Receivable	124,317	148,696
Prepaid Expenses and Other Assets	<u>448,576</u>	<u>359,551</u>
Total Current Assets	21,177,856	23,119,402
PROPERTY AND EQUIPMENT	1,863,885	1,971,512
OPERATING RIGHT-OF-USE ASSETS	3,544,374	4,075,025
OTHER ASSETS		
Notes Receivable, Long-Term	-	126,057
Investment	68,914	68,914
Deposits	<u>268,698</u>	<u>290,277</u>
Total Other Assets	<u>337,612</u>	<u>485,248</u>
 Total Assets	 <u><u>\$ 26,923,727</u></u>	 <u><u>\$ 29,651,187</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of Credit	\$ 8,176,931	\$ 7,803,247
Accounts Payable and Accrued Expenses	6,463,870	6,280,753
Accrued Payroll and Payroll Taxes	1,466,321	1,049,907
Unemployment Liability Payable	51,662	108,847
Current Lease Liability - Operating	483,043	342,666
Deferred Revenue	<u>5,466,130</u>	<u>4,159,384</u>
Total Current Liabilities	22,107,957	19,744,804
LONG-TERM LIABILITIES		
Long-Term Lease Liability - Operating (Less Current Maturities)	<u>3,496,224</u>	<u>3,979,267</u>
 Total Liabilities	 25,604,181	 23,724,071
NET ASSETS		
Without Donor Restrictions (Deficit)	(3,017,245)	502,573
With Donor Restrictions	<u>4,336,791</u>	<u>5,424,543</u>
Total Net Assets	<u>1,319,546</u>	<u>5,927,116</u>
 Total Liabilities and Net Assets	 <u><u>\$ 26,923,727</u></u>	 <u><u>\$ 29,651,187</u></u>

See accompanying Notes to Financial Statements.

**URBAN AFFAIRS COALITION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and Contracts	\$ 61,946,867	\$ -	\$ 61,946,867
Contributions	349,590	5,883,843	6,233,433
Program, Client and Consulting Fees	1,773,508	-	1,773,508
Other Revenues	1,634,070	-	1,634,070
Total	65,704,035	5,883,843	71,587,878
Net Assets Released from Restrictions:			
Satisfaction of Purpose Restrictions	6,971,595	(6,971,595)	-
Total Support and Revenue	72,675,630	(1,087,752)	71,587,878
EXPENSES			
Program Services:			
Community Intervention and Support	21,576,460	-	21,576,460
Homelessness	35,231,035	-	35,231,035
Professional Services	2,482,983	-	2,482,983
Economic Development	1,493,630	-	1,493,630
AIDS Services	1,039,882	-	1,039,882
Employment Training	971,906	-	971,906
Health Care	873,125	-	873,125
Education	834,402	-	834,402
Research and Evaluation	62,203	-	62,203
Capital Fund	410	-	410
Capacity Building	-	-	-
Total Program Services	64,566,036	-	64,566,036
Supporting Services:			
Management and General	11,081,869	-	11,081,869
Fundraising	547,543	-	547,543
Total Supporting Services	11,629,412	-	11,629,412
Total Expenses	76,195,448	-	76,195,448
CHANGE IN NET ASSETS	(3,519,818)	(1,087,752)	(4,607,570)
Net Assets - Beginning of Year	502,573	5,424,543	5,927,116
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (3,017,245)</u>	<u>\$ 4,336,791</u>	<u>\$ 1,319,546</u>

See accompanying Notes to Financial Statements.

**URBAN AFFAIRS COALITION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE			
Grants and Contracts	\$ 63,174,091	\$ -	\$ 63,174,091
Contributions	518,489	8,467,424	8,985,913
Program, Client and Consulting Fees	1,546,249	-	1,546,249
Other Revenues	698,253	-	698,253
Donated Services	3,000	-	3,000
Total	65,940,082	8,467,424	74,407,506
Net Assets Released from Restrictions			
Satisfaction of Purpose Restrictions	7,605,817	(7,605,817)	-
Total Support and Revenue	73,545,899	861,607	74,407,506
EXPENSES			
Program Services:			
Community Intervention and Support	30,153,043	-	30,153,043
Homelessness	28,433,203	-	28,433,203
Economic Development	1,609,368	-	1,609,368
AIDS Services	1,472,788	-	1,472,788
Employment Training	1,395,779	-	1,395,779
Professional Services	1,256,369	-	1,256,369
Health Care	1,246,028	-	1,246,028
Education	1,715,681	-	1,715,681
Research and Evaluation	32,738	-	32,738
Capital Fund	13,195	-	13,195
Capacity Building	4,041	-	4,041
Total Program Services	67,332,233	-	67,332,233
Supporting Services:			
Management and General	11,805,879	-	11,805,879
Fundraising	122,447	-	122,447
Total Supporting Services	11,928,326	-	11,928,326
Total Expenses	79,260,559	-	79,260,559
CHANGE IN NET ASSETS	(5,714,660)	861,607	(4,853,053)
Net Assets - Beginning of Year	6,217,233	4,562,936	10,780,169
NET ASSETS - END OF YEAR	<u>\$ 502,573</u>	<u>\$ 5,424,543</u>	<u>\$ 5,927,116</u>

See accompanying Notes to Financial Statements.

URBAN AFFAIRS COALITION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

EXPENSES	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Personnel	\$ 22,205,665	\$ 4,570,315	\$ 87,553	\$ 26,863,533
Advertising	474,495	-	-	474,495
Bad Debt	258,195	1,333,280	-	1,591,475
Computer	519,542	653,594	189	1,173,325
Consultants and Contract Services	5,075,845	1,564,719	297,160	6,937,724
Facilities	26,973,124	582,944	-	27,556,068
Insurance	1,073,045	244,444	-	1,317,489
Interest and Bank Fees	6,448	763,934	-	770,382
Miscellaneous	893,147	337,250	155,891	1,386,288
Postage and Delivery	3,919	5,566	-	9,485
Printing	41,428	7,946	-	49,374
Professional Fees	501,938	103,477	-	605,415
Program Activities and Services	1,502,256	47,637	-	1,549,893
Program Grants	3,362,796	262,649	-	3,625,445
Shelter	174,592	545	-	175,137
Supplies	318,761	23,506	2,369	344,636
Telephone	417,973	83,872	3,964	505,809
Training	144,285	72,636	-	216,921
Travel and Conferences	618,582	315,927	417	934,926
Depreciation	-	107,628	-	107,628
Total Expenses	<u>\$ 64,566,036</u>	<u>\$ 11,081,869</u>	<u>\$ 547,543</u>	<u>\$ 76,195,448</u>

See accompanying Notes to Financial Statements.

**URBAN AFFAIRS COALITION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

EXPENSES	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Personnel	\$ 22,643,068	\$ 4,669,058	\$ 18,001	\$ 27,330,127
Advertising	1,575,673	197	194	1,576,064
Bad Debt	464,505	-	-	464,505
Computer	632,206	488,299	3,493	1,123,998
Consultants and Contract Services	11,313,710	2,911,476	47,378	14,272,564
Facilities	23,307,672	795,661	1,573	24,104,906
Insurance	1,137,813	212,847	317	1,350,977
Interest and Bank Fees	3,820	648,489	513	652,822
Miscellaneous	483,978	397,595	40,105	921,678
Postage and Delivery	4,915	3,946	142	9,003
Printing	52,625	19,543	-	72,168
Professional Fees	655,359	232,112	228	887,699
Program Activities and Services	1,803,538	128,449	514	1,932,501
Program Grants	1,326,440	395,720	-	1,722,160
Shelter	201,438	52,088	-	253,526
Supplies	306,454	118,199	2,568	427,221
Telephone	417,898	192,781	236	610,915
Training	238,762	85,406	4,876	329,044
Travel and Conferences	762,359	256,162	2,309	1,020,830
Depreciation	-	197,851	-	197,851
Total Expenses	<u>\$ 67,332,233</u>	<u>\$ 11,805,879</u>	<u>\$ 122,447</u>	<u>\$ 79,260,559</u>

See accompanying Notes to Financial Statements.

**URBAN AFFAIRS COALITION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (4,607,570)	\$ (4,853,053)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	107,627	197,851
Change in Right-of-Use Asset and Lease Liability	187,985	246,908
Provision for Allowance for Doubtful Accounts	108,707	159,100
Credit Loss Expense	44,400	1,273
(Increase) Decrease in Assets:		
Government Grants and Contracts Receivable	667,668	4,477,430
Program Service Receivable	(139,566)	68,047
Pledge Receivable	(50,000)	-
Prepaid Expenses	(89,025)	1,524,627
Reserve for Unemployment Claims	(136,167)	(27,356)
Deposits	21,579	(250)
Increase (Decrease) in Liabilities:		
Cash Overdraft	-	(1,036,090)
Accounts Payable and Accrued Expenses	183,117	2,690,673
Accrued Payroll and Payroll Taxes	416,414	(190,698)
Unemployment Liability Payable	(57,185)	(56,941)
Deferred Revenue	1,306,746	142,379
Net Cash Provided (Used) by Operating Activities	<u>(2,035,270)</u>	<u>3,343,900</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments on Notes Receivable	122,340	142,623
Purchases of Furniture and Equipment	-	(108,089)
Net Cash Provided by Investing Activities	<u>122,340</u>	<u>34,534</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Line of Credit	(44,151,529)	(52,675,768)
Proceeds from Line of Credit	44,525,213	51,208,666
Net Cash Provided (Used) by Financing Activities	<u>373,684</u>	<u>(1,467,102)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,539,246)	1,911,332
Cash and Cash Equivalents - Beginning of Year	<u>3,810,017</u>	<u>1,898,685</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,270,771</u></u>	<u><u>\$ 3,810,017</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	<u><u>\$ 744,905</u></u>	<u><u>\$ 629,315</u></u>

See accompanying Notes to Financial Statements.

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Urban Affairs Coalition (UAC or the Coalition) is a nonprofit organization which unites government, business, neighborhoods, and individual initiatives to improve the quality of life in the region, build wealth in urban communities, and solve emerging issues.

As a Home for Nonprofits, the Coalition provides back-office support, fiscal sponsorship and shared services to emerging and established community-based organizations and special projects. UAC's fiscal sponsorship structure saves partner organizations time and money.

UAC is a Coalition of 470 employees, 80 partner organizations and 3 community projects, large and small, working on diverse issues. UAC works to strengthen nonprofit organizations through fiscal sponsorship, capacity building, and program evaluation. UAC's diverse programs strive to improve life chances for youth and young adults; and provide economic opportunity to low-income households, working families, and disadvantaged businesses.

During the year ended June 30, 2024, UAC programs served more than 250,000 children, youth and adults through a variety of programming, including:

- Youth Development
- Youth Employment
- Adult Education
- Digital Literacy
- Job Training
- Small Business Development
- Anti-predatory Lending; Economic Inclusion
- HIV/AIDS Prevention
- Diversity Inclusion and Equity
- Financial Education
- Homeless and Transitional Housing
- Violence Prevention
- Community Empowerment

The Coalition's work is sponsored by government grants and direct support from corporations, foundations, and individuals.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets

Resources in the accompanying financial statements are classified for accounting and reporting purposes into two classes of net assets according to the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions – A portion of net assets is not subject to donor-imposed restrictions. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Net Assets With Donor Restrictions – A portion of net assets subject to donor-imposed restrictions related to a specific time period or purpose. When a restriction expires, 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 donor restrictions. At June 30, 2024 and 2023, the Coalition had \$4,336,791 and \$5,424,543, respectively, in net assets with donor restrictions whose donor imposed restriction was not in perpetuity.

Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Coalition or used to account for funds and split-interest agreements which have been accepted with donor stipulations that principal be maintained intact in perpetuity would be considered perpetual net assets with donor restrictions. Investment income from these net assets is included in net assets without donor restrictions, unless otherwise restricted. At June 30, 2024 and 2023, there were no perpetual net assets with donor restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are generally reported as decreases in net assets without donor restrictions. Expirations of donor-imposed stipulations that simultaneously increase one class of net assets and decrease another are reported as the satisfaction of net assets with a purpose restriction.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in 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 report period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid instruments with original maturities of three months or less. The Coalition maintains its primary depository accounts with a commercial bank. During the year, the Coalition may have cash balances on deposit in excess of the federally insured limit.

From time to time the Coalition's operating cash account may overdraw. Any cash overdrafts are covered by the Coalition's line of credit and will be replenished daily based on cash needs.

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Service Receivable

Program service receivable net of credit losses is \$550,779 and \$427,527 as of June 30, 2024 and 2023, respectively, from contracts with customers. Program service receivable balances are reported net of an allowance for credit losses to represent the Coalition's estimate of expected losses at the statement of financial position. The adequacy of the Coalition's allowance for credit losses is reviewed on an ongoing basis using historical payment trends, write-off experience, analysis of receivable portfolios by funding source and aging receivables, a review of specific accounts, as well as expected future economic conditions and market trends. Adjustments are made to the allowance for expected credit losses as necessary.

Program service receivable is considered delinquent when payment is not received when due and is charged off against the allowance for expected credit losses when management ceases collection efforts. The Coalition's policy is to review the aging and follow up with funders for receivables over 90 days old. Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the funder base has not changed significantly.

Changes in the allowance for credit losses over program service receivable for the years ended June 30, were as follows:

	2024	2023
Allowance for Credit Losses:		
Balance - Beginning of Year	\$ 6,811	\$ 5,538
Provision for Losses	16,304	1,273
Balance - End of Year	<u>\$ 23,115</u>	<u>\$ 6,811</u>

Government Grants and Contracts Receivable

The remaining \$17,513,550 and \$18,289,925 of accounts receivable as of June 30, 2024 and 2023, respectively, are from government grants and contracts. Collection of receivables is subject to the availability of funds from the appropriate governmental agency or other funding sources. These receivables are state at net of allowance for doubtful accounts. The Coalition establishes a provision for doubtful accounts based on history of paste write-offs, collections, and current credit conditions. An account is written off when it is determined that all collection efforts have been exhausted. For the years ended June 30, 2024 and 2023, the allowance for doubtful accounts for receivables from government grants and contracts amounted to \$445,522 and \$336,815, respectively.

Notes Receivable

Notes receivable balances are reported net of an allowance for credit losses to represent the Coalition's estimate of expected losses at the statement of financial position. The adequacy of the Coalition's allowance for credit losses is reviewed on an ongoing basis using historical payment trends specifically identified risks and an analysis future economic conditions and market trends that could impact future collections. Adjustments are made to the allowance for expected credit losses as necessary.

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Notes Receivable (Continued)

Changes in the allowance for credit losses over notes receivable for the years ended June 30, were as follows:

	2024	2023
Allowance for Credit Losses:		
Balance - Beginning of Year	\$ 88,841	\$ 88,841
Provision for Losses	28,096	-
Balance - End of Year	<u>\$ 116,937</u>	<u>\$ 88,841</u>

Investments

Investments are stated at fair value.

Investments are exposed to various risks, such as interest rate, credit, and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially change the amounts reported in the statement of financial position.

Property and Equipment

Property and equipment are recorded at cost for assets acquired by purchase and at estimated fair market value (at date of donation) for assets received as gifts. Depreciation expense is computed by using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are depreciated over the shorter of the estimated useful life of the asset or the term of the lease. The estimated useful lives of property and equipment for purposes of computing depreciation are:

Building and Building Improvements	30 Years
Furniture and Fixtures	5 Years
Leasehold Improvements	5 Years
Office Equipment	3 Years

Expenses for betterments and additions in excess of \$5,000 are capitalized. Costs below this threshold, in addition to maintenance and repairs, are charged to expense. When depreciable property is retired or otherwise disposed of, the related assets and accumulated depreciation are removed from the accounts and any resultant gain or loss is recognized.

Long-lived assets, such as property and equipment are reviewed periodically for impairment based on comparison of carrying value against undiscounted future cash flows. If impairment is identified, the assets' carrying amounts are adjusted to fair value. There were no such adjustments during the years ended June 30, 2024 and 2023, respectively.

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Coalition determines if an arrangement is a lease at inception. Operating leases are included in Operating Leases Right-of-Use on the statement of financial position.

Right-of-Use (ROU) assets represent the Coalition's right to use an underlying asset for the lease term and lease liabilities represent the Coalition's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Coalition will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Coalition has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or ROU assets on the statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Coalition has elected to use a discount rate comparable to the U.S. Department of the Treasury, Daily Treasury Par Yield Curve Rates for computing the present value of lease liabilities.

The Coalition has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Grants and Contracts

The Coalition evaluates grant agreements to determine if the contract represent reciprocal transactions or nonreciprocal transactions (contributions). Revenues from nonreciprocal transactions may be subject to conditions in the form of both a barrier to entitlement and a refund of amounts paid (or a release from obligations to make future payments). Revenues from nonreciprocal transactions are recognized when the barrier is satisfied. Conditional government grants, contract funds and federated campaigns are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each contract, are made. Funds received but not yet earned are shown as deferred revenue. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, the Coalition will record such disallowance at the time the final assessment is made.

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Coalition for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

Laws and regulations governing these programs are complex and subject to interpretation. The Coalition believes that it is in compliance with all applicable laws and regulations. Compliance with such laws and regulations can be subject to future regulatory review and interpretation.

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Contracts (Continued)

A significant portion of the Coalition's government grant revenue is derived from cost-reimbursement grants and contracts which are conditioned upon certain performance requirements, the incurrence of allowable qualifying expenses and/or payments received advance of services provided. Amounts received will be recognized as revenue when the Coalition has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statement of financial position. At June 30, 2024 and 2023, the Coalition had been awarded \$5,359,442 and \$4,159,384, respectively, in government grants that have not been recognized, because qualifying expenditures have not yet been incurred.

Program, Client, and Consulting Fee for Service Arrangements

Program, client and consulting fee for service arrangements are reported at the amount that reflects the consideration to which the Coalition expects to be entitled in exchange for providing services to their program participants. These amounts are due from participants, third-party payors, and others and includes variable consideration for retrospective revenue adjustments due to settlement of audits, reviews, and investigations. Generally, revenue is recognized as performance obligations are satisfied at the time invoices have been submitted to payor.

Performance obligations are determined based on the nature of the services provided by the Coalition. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Coalition believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

The Coalition measures the performance obligation from the entrance into a contract or admission into programs to the point when it's no longer required to provide services to the participant, or the contractual obligations have been satisfied.

Program, client, and consulting fee for service arrangements for the years ended June 30:

	June 30, 2024	
	Revenue	Program Service Receivable
Client Fees:		
The Doe Fund	\$ 145,896	\$ -
Consulting Fees:		
2500 League Island Boulevard	1,785	-
Children's Hospital of Philadelphia	162,321	58,147
Economic Development Projects	806,281	351,808
Ready, Willing and Able	606,792	157,551
Standard at Philadelphia	18,814	6,388
Total Consulting Fees	1,595,993	573,894

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program, Client, and Consulting Fee for Service Arrangements (Continued)

	June 30, 2024	
	Revenue	Program Service Receivable
Client Fees and Consulting Fees (Rollforward)	\$ 1,741,889	\$ 573,894
Program Service Fees:		
TeenShop	3,386	-
West Philly Tool Library	24,345	-
Other Program Service Fees	3,888	-
Total Program Service Fees	<u>31,619</u>	<u>-</u>
Total Program, Client, and Consulting Fees for Service	<u>\$ 1,773,508</u>	<u>\$ 573,894</u>
	June 30, 2023	
	Revenue	Program Service Receivable
Client Fees:		
Ready, Willing and Able	\$ 146,130	\$ -
Consulting Fees:		
2500 League Island Boulevard	3,783	-
Children's Hospital of Philadelphia	124,758	59,311
Economic Development Projects	745,804	220,766
Ready, Willing and Able	206,486	92,816
Standard at Philadelphia	92,356	61,435
Total Consulting Fees	<u>1,173,187</u>	<u>434,328</u>
Program Service Fees:		
ManUpPHL	136,008	-
School District of Philadelphia	35,009	-
West Philly Tool Library	34,502	-
Other Program Service Fees	21,413	-
Total Program Service Fees	<u>226,932</u>	<u>-</u>
Total Program, Client, and Consulting Fees for Service	<u>\$ 1,546,249</u>	<u>\$ 434,328</u>

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contract Balances

At the time of revenue recognition, billings and cash collections are included in Grants and Contracts Receivable on the statements of financial position. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., quarterly, monthly, or weekly) or upon achievement of contractual milestones. Generally, billing occurs subsequent to revenue recognition and included in accounts receivable. However, the Coalition will receive advances or deposits from customers before revenue is recognized, resulting in deferred revenue. These advance or deposits are liquidated when revenue is recognized.

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Accounts Receivable	\$ 573,894	\$ 434,328	\$ 363,584
Deferred Revenue	\$ 106,688	\$ -	\$ -

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) within the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending upon the nature of the restrictions. When a restriction expires, 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.

Donated Services

The Coalition records contributed professional and volunteer services only if the services require specialized skills and provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Coalition. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. These costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs are allocated between programs and supporting services in proportion to direct expenses, as estimated by management.

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Coalition is a nonprofit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, there is no provision for income taxes. The Coalition is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income taxes.

The Coalition follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard had no impact on the Coalition's financial statements.

The Coalition's income tax returns are subject to review and examination by federal, state, and local authorities.

Fair Value of Financial Instruments

The Coalition measures fair value using a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability. Inputs may be observable or unobservable and refer broadly to the assumptions that market participants would use in pricing the asset or liability. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy consists of three levels of inputs that may be used to measure fair value as follows:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Coalition has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

The Coalition has adopted *ASU 2016-13, Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Coalition adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Coalition's financial statements but did change how the allowance for credit losses is determined.

Financial Statement Reclassifications

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported change in net assets.

Advertising Costs

Advertising costs, except for costs associated with direct response advertising, are charged to operations when incurred. Advertising costs for the years ended June 30, 2024 and 2023 were \$474,495 and \$464,896, respectively, and are included in the statements of functional expenses.

Subsequent Events

In preparing these financial statements, the Coalition has evaluated events and transactions for potential recognition or disclosure through March 27, 2025, the date the financial statements were available to be issued.

NOTE 2 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

Government grants and contracts receivable represent funds due for expenditures incurred by the Coalition to provide services in accordance with grant provisions, as follows:

	2024	2023
City of Philadelphia	\$ 14,636,033	\$ 16,075,785
Philadelphia Works	169,814	164,152
Philadelphia Youth Network	225,230	775,351
Public Health Management Corporation	456,288	94,199
Commonwealth of Pennsylvania	753,834	327,233
School District of Philadelphia	127,125	121,206
Foundations	50,000	35,000
Other	1,540,748	1,033,814
Total	17,959,072	18,626,740
Less: Allowance for Doubtful Accounts	445,522	336,815
Total Grants	<u>\$ 17,513,550</u>	<u>\$ 18,289,925</u>

URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 3 NOTES RECEIVABLE

As of June 30, 2024 and 2023, the Coalition had three notes receivable agreements with nonprofit organizations for repayment of monies borrowed by these organizations to support operations of programs these organizations operate on behalf of the Coalition. Interest is charged on these notes at a rate of 3% per annum. The notes receivables are unsecured and were due at various times through 2024 and 2023. For the years ended June 30, 2024 and 2023 notes receivable, net of credit losses, are \$124,317 and \$274,753, respectively.

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2024	2023
Building	\$ 1,809,498	\$ 1,809,498
Furniture and Equipment	637,151	637,151
Leasehold Improvements	194,394	194,394
Subtotal	2,641,043	2,641,043
Less: Accumulated Depreciation	777,158	669,531
Total Property and Equipment	<u>\$ 1,863,885</u>	<u>\$ 1,971,512</u>

Depreciation expense for the years ended June 30, 2024 and 2023 was \$107,628 and \$197,851, respectively.

NOTE 5 INVESTMENT

The Coalition's investment is recorded at fair value as follows:

	June 30, 2024		June 30, 2023	
	Cost	Fair Value	Cost	Fair Value
Investment in United Bank of Philadelphia	<u>\$ 475,000</u>	<u>\$ 68,914</u>	<u>\$ 475,000</u>	<u>\$ 68,914</u>

NOTE 6 FAIR VALUE MEASUREMENT

The Coalition uses fair value measurements to record fair value adjustments to certain assets. For additional information on how the Coalition values all other assets, refer to Note 1 — Summary of Significant Accounting Policies.

Assets measured at fair value on a recurring basis as of June 30, 2024 are:

	Total	Level 1	Level 2	Level 3
Investment in United Bank of Philadelphia	<u>\$ 68,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,914</u>

URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 6 FAIR VALUE MEASUREMENT (CONTINUED)

Assets measured at fair value on a recurring basis as of June 30, 2023 are:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment in United Bank of Philadelphia	<u>\$ 68,914</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,914</u>

Level 3 Assets

The following table represents a summary of changes in the fair value of the Coalition's Level 3 assets (the investment in United Bank of Philadelphia) for the years ended June 30:

Beginning Balance - July 1, 2023	\$ 68,914
Unrealized Loss on Investments Held as of June 30, 2024	-
Ending Balance - June 30, 2024	<u>\$ 68,914</u>
Beginning Balance - July 1, 2022	\$ 68,914
Unrealized Loss on Investments Held as of June 30, 2023	-
Ending Balance - June 30, 2023	<u>\$ 68,914</u>

The estimate of fair value is based upon the Coalition's evaluation of the financial statements of United Bank of Philadelphia, stock trading activity (if any), press reports concerning the bank, and industry specific financial performance metrics.

NOTE 7 DEBT

Line of Credit

The Coalition established a revolving line of credit agreement with Univest Bank and Trust Company. Through multiple amendments, the total borrowings on this revolving line of credit amount to \$13,000,000, bearing interest at the rate of *The Wall Street Journal* U.S. Prime Rate (8.50% as of June 30, 2024). This revolving line of credit supports the additional business generated by the Coalition from contracts and other arrangements with both government and non-government sources through 2025. The Coalition must maintain a borrowing base amount consisting of (i) up to 80% of the Coalition's eligible receivables, plus (ii) up to 50% of the Coalition's eligible slow pay receivables aged no more than one hundred twenty days from the original invoice date. For the year ended June 30, 2024, the Coalition complied with this borrowing base requirement.

On January 24, 2024, the Coalition and the bank agreed to a twelfth amendment and modification to the Line of Credit agreement, extending the maturity date to January 25, 2025.

On January 24, 2025, the Coalition and the bank agreed to a thirteenth amendment and modification to the Line of Credit agreement, further extending the maturity date to April 25, 2025.

URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 DEBT (CONTINUED)

Line of Credit (Continued)

The Coalition's Univest Operating account is a sweep account linked to the line of credit. At the end of each day, any remaining balance in the operating account is swept against the line of credit, resulting in a zero balance in the operating account at the end of the day.

For the years ended June 30, 2024 and 2023, the balance outstanding on this line of credit agreement was \$8,176,931 and \$7,803,247, respectively.

Interest expense on the line of credit was \$744,905 and \$629,315 for the years ended June 30, 2024 and 2023, respectively.

NOTE 8 OPERATING LEASES

The Coalition leases office space under various long-term, noncancelable lease agreements. The leases expire at various dates through 2033. 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 defined increases in the Consumer Price Index, subject to certain minimum increases. Additionally, the agreements generally require the Coalition to pay real estate taxes, insurance, and repairs.

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

	<u>2024</u>	<u>2023</u>
Lease Costs:		
Operating Lease Costs	<u>\$ 673,153</u>	<u>\$ 576,851</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 461,569	\$ 575,907
Weighted-Average Remaining Lease Term - Operating Leases	8.21 Years	8.89 Years
Weighted-Average Discount Rate - Operating Leases	2.88%	2.88%

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 8 OPERATING LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2024 is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2025	\$ 589,668
2026	561,774
2027	532,477
2028	524,469
2029	432,572
Thereafter	1,841,166
Total Lease Payments	4,482,126
Less: Interest	502,859
Present Value of Lease Liabilities	<u>\$ 3,979,267</u>

The Coalition leases office space, copiers and vehicles with lease terms under one year or below the Organization's thresholds to be included under FASB ASC 842. The Coalition has additional lease agreements for its programs which are month-to-month and determined by need throughout the City of Philadelphia. Total rent expense under these operating leases was \$2,304,298 and \$2,987,961 for the years ended June 30, 2024 and 2023, respectively.

In July 2020, the Coalition entered into a contract with the Philadelphia Housing Development Corporation (PHDC) to assist PHDC in executing payments to landlords as part of Phases II, III, IV, and V of PHDC's Emergency Rental Assistance Program (ERAP). The Emergency Rental Assistance Program (ERAP) provides rental assistance to low-income households experiencing housing insecurity caused initially by the COVID-19 pandemic, which has continued due to other financial impacts such as inflation and related income losses.

Phase II of the ERAP was launched in July 2020 as part of the Statewide PA-CARES program, administered by the Pennsylvania Housing Finance Agency. This was followed by Phases III, IV, and V of the ERAP. The funding sources for these phases are partially or fully comprised of federal CARES Act funds that pass through either the City of Philadelphia or the Commonwealth of Pennsylvania.

In 2024, the program transitioned from the Emergency Rental Assistance Program to the Eviction Diversion Program (EDP). The EDP program, facilitated by PHDC, serves as a valuable resource enabling tenants and landlords to resolve residential rental issues without resorting to costly or prolonged court processes. EDP applications are assigned to a pathway that may include mediation, direct negotiation, and/or financial assistance, depending on various factors, including the amount of back rent owed. This program ensures a safety net, guaranteeing that not every case will be assigned to mediation.

For the years ended June 30, 2024 and 2023, the Coalition had passed through a total of \$22,554,018 and \$19,115,109, respectively, to landlords on behalf of their residents who were impacted by either the former COVID-19 Pandemic or from other economic impacts, such as inflation, as part of these five phases of the ERAP along with the start of the EDP programs.

URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30:

	2024	2023
Community Intervention and Support	\$ 3,739,505	\$ 4,981,324
AIDS Services	118,568	82,852
Economic Development	401,992	279,441
Education	74,782	80,926
Employment Training	1,944	-
Total	<u>\$ 4,336,791</u>	<u>\$ 5,424,543</u>

NOTE 10 BENEFIT PLAN

The Coalition maintains a 403(b) retirement plan which covers all employees who are employed by the Coalition. The Coalition may make matching contributions equal to a discretionary percentage, determined by the board, of each participant's salary. Matching contribution expense was \$165,449 and \$178,261 for the years ended June 30, 2024 and 2023, respectively.

Contributions accrued but unpaid as of June 30, 2024 and 2023 totaled \$295,877 and \$293,064, respectively.

NOTE 11 SIGNIFICANT CONCENTRATIONS AND RISKS

The Coalition received approximately 87% and 85% of its support and revenue from grants and contracts with government and nongovernment agencies for the years ended June 30, 2024 and 2023, respectively.

NOTE 12 UNEMPLOYMENT CLAIMS

The Coalition is primarily self-insured for certain unemployment costs. The unemployment claims are administered by Equifax. The Coalition has an interest-bearing proprietary reserve account held by First Non-Profit, to cover all unemployment claims that have been submitted to and processed by the Commonwealth of Pennsylvania for former Coalition employees, as well as estimated incurred, but not reported claims. On a monthly basis the Coalition is required to deposit funds into this account to cover potential future claims.

URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 12 UNEMPLOYMENT CLAIMS (CONTINUED)

For the years ended June 30, 2024 and 2023, the activities within the Coalition's proprietary reserve account are as follows:

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 83,696	\$ 56,340
Add:		
Coalition Contributions Made	285,877	216,732
Less:		
Claims Paid and Accrued	<u>(149,710)</u>	<u>(189,376)</u>
Ending Balance	<u><u>\$ 219,863</u></u>	<u><u>\$ 83,696</u></u>

The Coalition's unemployment claim administrator had determined, through actuarial data unemployment claims which have been incurred but not yet reported "IBNR." Since the administrator knows neither how many of these losses have occurred nor the severity of each loss, the administrator is required to estimate the potential liability of these claims. As of June 30, 2024 and 2023, the Coalition had recorded an estimated liability of \$51,662 and \$108,847, respectively, to cover these projected claims.

NOTE 13 CONTINGENCIES

The Coalition is from time to time subject to routine legal proceedings and claims that arise in the ordinary course of business. When a probable event occurs management will accrue an actual (if known) or estimated amount in the financial statements.

NOTE 14 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 for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 2,270,771	\$ 3,810,017
Government Grants and Contracts Receivable	17,513,550	18,289,925
Program Service Receivable	550,779	427,517
Reserve for Unemployment Claims	219,863	83,696
Less: Donor Restricted Net Assets	<u>(4,336,791)</u>	<u>(5,424,543)</u>
Total	<u><u>\$ 16,218,172</u></u>	<u><u>\$ 17,186,612</u></u>

Grants and contracts and program service receivables are subject to time or purpose restrictions but will be collected within one year. The Coalition has a goal to maintain financial assets, which consist of cash, grants and contract receivable and reserve for unemployment claims on hand to meet 30 days of normal operating expenses, which are, on average approximately \$6,354,000 and \$6,588,000, respectively.

**URBAN AFFAIRS COALITION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 14 LIQUIDITY AND AVAILABILITY (CONTINUED)

As more fully described in Note 7, the Coalition also has a line of credit agreement in the amount of \$13,000,000. The amount borrowed on this line was \$8,176,931 and \$7,803,247 at June 30, 2024 and 2023, respectively.

URBAN AFFAIRS COALITION
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
YEAR ENDED JUNE 30, 2024

	Community Intervention and Support	Homelessness	Professional Services	Economic Development	AIDS Services	Employment Training
EXPENSES						
Personnel	\$ 11,930,352	\$ 6,700,676	\$ -	\$ 1,039,321	\$ 635,695	\$ 629,261
Advertising	474,119	-	-	150	-	-
Bad Debt	7,176	251,019	-	-	-	-
Computer	280,777	104,799	-	50,022	15,178	20,978
Consultants and Contract Services	3,423,158	1,078,834	43,528	215,356	137,959	78,432
Facilities	1,232,785	25,394,325	-	61,236	138,004	70,247
Insurance	607,554	382,082	-	23,831	10,678	16,509
Interest and Bank Fees	5,636	435	-	-	1	-
Miscellaneous	710,661	112,856	500	2,001	2,326	1,764
Postage and Delivery	1,885	433	-	8	-	480
Printing	26,970	13	-	674	4,811	6,543
Professional Fees	228,093	154,413	-	80,460	8,925	11,792
Program Activities and Services	931,227	430,189	-	1,161	55,760	41,679
Program Grants	897,855	486	2,438,955	-	-	-
Shelter	721	173,871	-	-	-	-
Supplies	214,077	16,025	-	658	10,272	65,010
Telephone	202,203	159,573	-	14,568	8,266	7,649
Training	74,652	47,280	-	2,924	-	3,730
Travel and Conferences	326,559	223,726	-	1,260	12,007	17,832
Total Expenses	<u>\$ 21,576,460</u>	<u>\$ 35,231,035</u>	<u>\$ 2,482,983</u>	<u>\$ 1,493,630</u>	<u>\$ 1,039,882</u>	<u>\$ 971,906</u>

URBAN AFFAIRS COALITION
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Health Care	Education	Research and Evaluation	Capital Fund	Total Program
EXPENSES					
Personnel	\$ 646,993	\$ 586,218	\$ 37,149	\$ -	\$ 22,205,665
Advertising	192	34	-	-	474,495
Bad Debt	-	-	-	-	258,195
Computer	42,670	3,988	1,130	-	519,542
Consultants and Contract Services	51,892	43,506	3,180	-	5,075,845
Facilities	57,696	18,421	-	410	26,973,124
Insurance	13,255	18,410	726	-	1,073,045
Interest and Bank Fees	120	242	14	-	6,448
Miscellaneous	645	61,262	1,132	-	893,147
Postage and Delivery	-	1,017	96	-	3,919
Printing	-	2,417	-	-	41,428
Professional Fees	9,701	8,036	518	-	501,938
Program Activities and Services	5,430	36,515	295	-	1,502,256
Program Grants	-	25,500	-	-	3,362,796
Shelter	-	-	-	-	174,592
Supplies	6,303	6,380	36	-	318,761
Telephone	21,565	4,149	-	-	417,973
Training	14,049	1,650	-	-	144,285
Travel and Conferences	2,614	16,657	17,927	-	618,582
Total Expenses	<u>\$ 873,125</u>	<u>\$ 834,402</u>	<u>\$ 62,203</u>	<u>\$ 410</u>	<u>\$ 64,566,036</u>

URBAN AFFAIRS COALITION
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM
YEAR ENDED JUNE 30, 2023

	Community Intervention and Support	Homelessness	Economic Development	AIDS Services	Employment Training	Professional Services
EXPENSES						
Personnel	\$ 12,818,008	\$ 5,341,863	\$ 987,936	\$ 752,748	\$ 1,011,630	\$ 2,500
Advertising	828,079	54,200	912	28,126	4	-
Bad Debt	463,960	-	-	-	175	-
Computer	349,600	116,858	45,150	27,443	16,879	-
Consultants and Contract Services	9,531,430	741,043	438,799	304,396	126,182	18,974
Facilities	1,986,401	20,944,525	50,369	165,197	80,812	-
Insurance	770,032	270,666	17,325	18,330	24,334	-
Interest and Bank Fees	2,918	524	-	25	-	-
Miscellaneous	362,775	28,012	971	3,964	(2,234)	19,995
Postage and Delivery	6,241	10	35	-	(1,427)	-
Printing	36,008	-	-	6,975	8,863	-
Professional Fees	426,407	118,140	39,897	11,608	17,842	-
Program Activities and Services	1,426,121	269,995	4,018	48,032	18,777	-
Program Grants	1,233	-	-	62,307	-	1,214,900
Shelter	34,830	166,608	-	-	-	-
Supplies	180,963	51,950	1,827	16,707	39,433	-
Telephone	217,196	149,932	14,290	11,605	6,563	-
Training	115,784	85,612	3,036	-	26,454	-
Travel and Conferences	595,057	93,265	4,803	15,325	21,492	-
Total Expenses	<u>\$ 30,153,043</u>	<u>\$ 28,433,203</u>	<u>\$ 1,609,368</u>	<u>\$ 1,472,788</u>	<u>\$ 1,395,779</u>	<u>\$ 1,256,369</u>

URBAN AFFAIRS COALITION
SCHEDULE OF FUNCTIONAL EXPENSES BY PROGRAM (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Health Care	Education	Research and Evaluation	Capital Fund	Capacity Building	Total Program
EXPENSES						
Personnel	\$ 930,366	\$ 777,098	\$ 20,919	\$ -	\$ -	\$ 22,643,068
Advertising	-	664,352	-	-	-	1,575,673
Bad Debt	370	-	-	-	-	464,505
Computer	64,957	10,624	695	-	-	632,206
Consultants and Contract Services	83,548	61,643	-	7,695	-	11,313,710
Facilities	52,667	19,660	-	5,500	2,541	23,307,672
Insurance	18,766	18,347	13	-	-	1,137,813
Interest and Bank Fees	170	183	-	-	-	3,820
Miscellaneous	11,786	58,709	-	-	-	483,978
Postage and Delivery	10	46	-	-	-	4,915
Printing	478	301	-	-	-	52,625
Professional Fees	29,760	11,695	10	-	-	655,359
Program Activities and Services	10,696	23,669	2,230	-	-	1,803,538
Program Grants	-	48,000	-	-	-	1,326,440
Shelter	-	-	-	-	-	201,438
Supplies	13,130	576	368	-	1,500	306,454
Telephone	17,519	793	-	-	-	417,898
Training	6,327	1,407	142	-	-	238,762
Travel and Conferences	5,478	18,578	8,361	-	-	762,359
Total Expenses	<u>\$ 1,246,028</u>	<u>\$ 1,715,681</u>	<u>\$ 32,738</u>	<u>\$ 13,195</u>	<u>\$ 4,041</u>	<u>\$ 67,332,233</u>

