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In performing an audit in accordance with generally accepted auditing standards, 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 UrbanPromise International, Inc.'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 UrbanPromise International, Inc.'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.

Baratz & Associates, P.A.

Baratz & Associates, P.A.
Marlton, NJ

October 5, 2022

UrbanPromise International, Inc.
Statements of Financial Position
As of June 30, 2022 and 2021

	06/30/2022	06/30/2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,095,314	\$ 906,775
Contributions receivable	-	917
Prepaid expenses	58,297	32,177
Due from related party	9,765	45,601
Loans receivable, current portion	20,800	16,500
Total Current Assets	1,184,176	1,001,970
Property and Equipment		
Land, buildings, improvements, and vehicles	91,940	84,940
Less accumulated depreciation	(8,681)	(5,844)
Net Property and Equipment	83,259	79,096
Other Assets		
Loans receivable, less current portion	128,020	48,720
Total Other Assets	128,020	48,720
Total Assets	\$ 1,395,455	\$ 1,129,786
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 105,843	\$ 19,860
PPP loan (contingent)	-	100,420
Total Current Liabilities	105,843	120,280
Net Assets		
Without donor restrictions	478,034	239,138
With donor restrictions	811,578	770,368
Total Net Assets	1,289,612	1,009,506
Total Liabilities and Net Assets	\$ 1,395,455	\$ 1,129,786

UrbanPromise International, Inc.
Statements of Activities and Changes in Net Assets
Years ended June 30, 2022 and 2021

	<u>06/30/2022</u>			<u>06/30/2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues, Gains and Other Support						
Grants and contributions	\$ 2,723,123	\$ 271,056	\$ 2,994,179	\$ 2,276,302	\$ 230,878	\$ 2,507,180
Other income	3,172	-	3,172	934	-	934
Donated services	7,000	-	7,000	6,565	-	6,565
Interest income	677	-	677	611	-	611
	<u>2,733,972</u>	<u>271,056</u>	<u>3,005,028</u>	<u>2,284,412</u>	<u>230,878</u>	<u>2,515,290</u>
Net Assets Released From Restriction						
Satisfaction of program restrictions	<u>229,846</u>	<u>(229,846)</u>	<u>-</u>	<u>65,970</u>	<u>(65,970)</u>	<u>-</u>
Total Revenues and Other Support	<u>2,963,818</u>	<u>41,210</u>	<u>3,005,028</u>	<u>2,350,382</u>	<u>164,908</u>	<u>2,515,290</u>
Expenses						
Program services	2,417,364	-	2,417,364	1,967,915	-	1,967,915
Management and general	116,806	-	116,806	115,405	-	115,405
Fundraising	190,752	-	190,752	158,294	-	158,294
	<u>2,724,922</u>	<u>-</u>	<u>2,724,922</u>	<u>2,241,614</u>	<u>-</u>	<u>2,241,614</u>
Change in Net Assets For The Year	238,896	41,210	280,106	108,768	164,908	273,676
Net Assets at Beginning of Year	<u>239,138</u>	<u>770,368</u>	<u>1,009,506</u>	<u>130,370</u>	<u>605,460</u>	<u>735,830</u>
Net Assets at End of Year	<u>\$ 478,034</u>	<u>\$ 811,578</u>	<u>\$ 1,289,612</u>	<u>\$ 239,138</u>	<u>\$ 770,368</u>	<u>\$ 1,009,506</u>

UrbanPromise International, Inc.
Statements of Functional Expenses
Years ended June 30, 2022 and 2021

	<u>06/30/2022</u>				<u>06/30/2021</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 477,522	\$ 29,036	\$ 97,857	\$ 604,415	\$ 353,895	\$ 26,960	\$ 86,727	\$ 467,582
Employee benefits	81,876	-	29,940	111,816	68,790	-	28,411	97,201
Payroll taxes	37,937	2,257	14,722	54,916	24,820	2,284	12,882	39,986
Retirement plan contributions	1,844	833	5,680	8,357	1,627	413	5,900	7,940
Grants	1,752,824	-	-	1,752,824	1,492,617	-	-	1,492,617
Travel and conferences	28,462	-	10,810	39,272	16,293	-	3,030	19,323
Direct program expenses	34,062	-	-	34,062	8,145	-	-	8,145
Professional services	-	18,666	-	18,666	0	20,113	-	20,113
Office expenses	-	6,329	20,617	26,946	-	6,152	14,413	20,565
Equipment rental and maintenance	-	6,811	-	6,811	-	1,020	-	1,020
Depreciation expense	2,837	-	-	2,837	1,728	-	-	1,728
Insurance	-	21,854	-	21,854	-	28,306	-	28,306
Miscellaneous	-	22,340	-	22,340	-	21,344	-	21,344
Direct fundraising expenses	-	-	11,126	11,126	-	-	6,931	6,931
Telephone	-	3,294	-	3,294	-	2,103	-	2,103
Postage and delivery	-	1,630	-	1,630	-	2,954	-	2,954
Occupancy	-	3,756	-	3,756	-	3,756	-	3,756
Total Functional Expenses	\$ 2,417,364	\$ 116,806	\$ 190,752	\$ 2,724,922	\$ 1,967,915	\$ 115,405	\$ 158,294	\$ 2,241,614

The accompanying notes are an integral part of these financial statements

UrbanPromise International, Inc.
Statements of Cash Flows
Years ended June 30, 2022 and 2021

	06/30/2022	06/30/2021
Cash Flows From Operating Activities:		
Change in net assets	\$ 280,106	\$ 273,676
Adjustments To Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
Depreciation expense	2,837	1,728
Grant income from PPP loan forgiveness	(100,420)	(63,995)
Donated equipment	(7,000)	(2,565)
Changes in Operating Assets and Liabilities:		
(Increase) decrease in assets:		
Contributions receivables	917	(37)
Loans receivables	(83,600)	(65,220)
Prepaid expenses	(26,120)	(31,178)
Due from related party	35,836	(45,601)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	85,983	(52,243)
Net Cash Provided By Operating Activities	188,539	14,565
Cash Flows From Financing Activities:		
Proceeds from PPP loan	-	100,420
Net Cash Provided By Financing Activities	-	100,420
Net Increase in Cash	188,539	114,985
Cash at Beginning of Year	906,775	791,790
Cash at End of Year	\$ 1,095,314	\$ 906,775

