

UNITED FOR A FAIR ECONOMY, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

UNITED FOR A FAIR ECONOMY, INC.

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JUNE 30, 2024

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Business Advisors
Certified Public Accountants

To the Board of Directors
United for a Fair Economy, Inc.
Boston, Massachusetts

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of United for a Fair Economy, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United for a Fair Economy, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 United for a Fair Economy, 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 United for a Fair Economy, 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.

Report on Summarized Comparative Information

We have previously audited United for a Fair Economy, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 21, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Pavento, Ratchliffe, Renzi & Co., LLC

May 9, 2025
Franklin, Massachusetts

UNITED FOR A FAIR ECONOMY, INC.

STATEMENT OF FINANCIAL POSITION JUNE 30, 2024 AND 2023

	ASSETS	
	2024	2023
CURRENT ASSETS:		
Cash and cash equivalents	\$176,675	\$109,001
Pledges and grants receivable	170,000	315,000
Accounts receivable	6,582	13,290
Prepaid expense	<u>4,601</u>	<u>25,092</u>
Total current assets	<u>357,858</u>	<u>462,383</u>
FIXED ASSETS:		
Equipment	98,069	98,069
Leasehold improvements	<u>15,883</u>	<u>15,883</u>
	113,952	113,952
Less – Accumulated depreciation	<u>113,952</u>	<u>113,952</u>
Total fixed assets	<u>-</u>	<u>-</u>
OTHER ASSETS:		
Right-of-use asset – operating lease, present value net of amortization	<u>1,243</u>	<u>42,616</u>
Total assets	<u>\$359,101</u>	<u>\$504,999</u>
	LIABILITIES AND NET ASSETS	
CURRENT ASSETS:		
Current portion of lease liability	\$ 1,243	\$ 41,373
Accounts payable and accrued expense	64,356	72,508
Accrued salary and vacation compensation	<u>62,817</u>	<u>56,666</u>
Total current liabilities	<u>128,416</u>	<u>170,547</u>
LONG TERM PORTION OF LEASE LIABILITY	<u>-</u>	<u>1,243</u>
NET ASSETS:		
Without donor restrictions	(31,815)	75,709
With donor restrictions	<u>262,500</u>	<u>257,500</u>
Total net assets	<u>230,685</u>	<u>333,209</u>
Total liabilities and net assets	<u>\$359,101</u>	<u>\$504,999</u>

The accompanying notes are an integral part of these financial statements.

UNITED FOR A FAIR ECONOMY, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024			2023
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PUBLIC SUPPORT AND REVENUE:				
Contributions	\$ 634,183	\$ 150,000	\$ 784,183	\$ 969,268
Grants	151,125	-	151,125	129,500
Released from restriction	145,000	(145,000)	-	-
Program and conference fees	1,000	-	1,000	104,663
Educational materials revenue	1,348	-	1,348	556
In-kind contributions	943	-	943	20,037
Interest and dividends	332	-	332	515
Special events, gross	-	-	-	4,967
Gain(loss) on investments	(1,076)	-	(1,076)	(2,626)
Total public support and other revenue	932,855	5,000	937,855	1,226,880
EXPENSES:				
Program	746,292	-	746,292	957,173
General and administrative	179,285	-	179,285	204,498
Fundraising	114,802	-	114,802	169,052
Total expenses	1,040,379	-	1,040,379	1,330,723
Change in net assets	(107,524)	5,000	(102,524)	(103,843)
NET ASSETS, beginning of year	75,709	257,500	333,209	437,052
NET ASSETS, end of year	\$ (31,815)	\$ 262,500	\$ 230,685	\$ 333,209

The accompanying notes are an integral part of these financial statements.

UNITED FOR A FAIR ECONOMY, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2024 WITH COMPARATIVE TOTALS FOR 2023

	2024			2023	
	Program	General & Administrative	Fundraising	Total	Total
Salary	\$353,002	\$ 82,968	\$ 65,060	\$ 501,030	\$ 578,075
Payroll taxes	31,395	6,503	4,920	42,818	49,657
Benefits	91,200	21,025	16,108	128,333	140,096
Subtotal	475,597	110,496	86,088	672,181	767,828
Conference and training fees	5,481	-	113	5,594	1,053
Contributions and sponsorships	30,258	-	-	30,258	40,000
Depreciation	-	-	-	-	-
Equipment rental and maintenance	5,738	2,192	1,601	9,531	34,454
Fees	9,792	4,356	11,139	25,287	20,308
Grants to others	-	-	-	-	46,500
Insurance	1,867	3,425	330	5,622	5,564
Mail and delivery	589	113	4,983	5,685	7,753
Media services and advertising	11	-	-	11	584
Meetings and events	45,598	15	15	45,628	77,415
Miscellaneous	153	-	-	153	1,165
Occupancy	32,695	7,537	5,775	46,007	45,969
Printing and reproduction	4,262	726	2,346	7,334	5,953
Professional fees	43,831	45,094	1,444	90,369	158,329
Publications	1,972	-	-	1,972	1,462
Supplies	3,568	112	41	3,721	5,528
Telephone and internet	6,733	3,114	769	10,616	7,551
Travel	78,147	2,105	158	80,410	103,307
Total expenses	<u>\$746,292</u>	<u>\$179,285</u>	<u>\$114,802</u>	<u>\$1,040,379</u>	<u>\$1,330,723</u>

The accompanying notes are an integral part of these financial statements.

UNITED FOR A FAIR ECONOMY, INC.

STATEMENT OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	\$(102,524)	\$(103,843)
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Loss on investments	1,076	2,697
Donated investments	(56,906)	(189,071)
(Increase) decrease in operating assets:		
Pledges and grants receivable	145,000	(216,800)
Donations receivable	-	5,661
Accounts receivable	6,708	1,683
Prepaid expense	20,491	18,093
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expense	(8,152)	20,503
Accrued salary and vacation compensation	<u>6,151</u>	<u>(12,659)</u>
Net cash provided by (used for) operating activities	<u>11,844</u>	<u>(473,736)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	<u>55,830</u>	<u>186,374</u>
Net cash provided by investing activities	<u>55,830</u>	<u>186,374</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Advance from (payments on) line of credit	<u>-</u>	<u>(7,120)</u>
Net cash used for financing activities	<u>-</u>	<u>(7,120)</u>
Increase (decrease) in cash and cash equivalents	67,674	(294,482)
CASH AT BEGINNING OF YEAR	<u>109,001</u>	<u>403,483</u>
CASH AT END OF YEAR	<u>\$ 176,675</u>	<u>\$ 109,001</u>

The accompanying notes are an integral part of these financial statements.

UNITED FOR A FAIR ECONOMY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(1) ORGANIZATION

United for a Fair Economy, Inc. (UFE) was organized in the Commonwealth of Massachusetts as a not-for-profit corporation on November 30, 1994. The Organization challenges the concentration of wealth and power that corrupts democracy, deepens the racial divide, and tears communities apart. UFE uses popular economics education, trainings, and creative communications to support social movements working for a resilient, sustainable and equitable economy. Resources for the Organization's activities are provided primarily by public contributions.

UFE operates its main office in Boston, Massachusetts and has additional staff working in North Carolina and Alabama.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Organization's financial statements are presented in conformity with U.S. generally accepted accounting principles ("US GAAP") and have been prepared on the accrual basis of accounting.

Net Assets Classifications

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and 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.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on 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 statements of activities as net assets released from restrictions.

Comparative Financial Information

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

UNITED FOR A FAIR ECONOMY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid debt and equity instruments with a maturity of three months or less to be cash equivalents.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received.

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Property and Equipment

Property and equipment are recorded at cost, when purchased, or if donated, at their estimated fair market value at date of donation. All acquisitions of property and equipment and all expenditures for repairs, maintenance, and betterments that materially prolong the useful lives of assets and have costs in excess of \$5,000 are capitalized.

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets, using the straight-line method.

Donated Goods and Services

Donated goods and services represent the estimated fair market value of materials and services provided. Donated services are recognized as contributions, in accordance with Generally Accepted Accounting Standards, if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

At June 30, 2024 and 2023, in-kind contributions were recorded for organizational and program-related consulting services received at a fair market value of \$943 and \$20,037, respectively.

Advertising Costs

Advertising costs are expensed the first time the advertising takes place.

Functional Allocation of Expenses

Expenses are allocated among program and supporting services directly or on the basis of time records and utilization estimates made by the Organization's management. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Accrual for Compensated Absences

The number of hours of vacation time that may be carried to the next year varies by the number of years an employee has been employed by the Organization. Accrued vacation time included in current liabilities totaled \$40,456 and \$37,996 as of June 30, 2024 and 2023, respectively. There is no liability for sick days because they can only be used in the event of illness.

UNITED FOR A FAIR ECONOMY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The presentation of financial statements, in conformity 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Leases

As of July 1, 2022, the Organization adopted Accounting Standards Update (“ASU”) 2016-02, *Leases*, which was amended in some respects by subsequent ASUs (collectively Accounting Standards Codification 842 (“ASC 842”)) and supersedes existing lease guidance. The standard requires the Organization to record operating lease assets and corresponding lease liabilities on the balance sheet and disclose key quantitative and qualitative information about lease contracts. Under ASC 842, the Organization determines if a contract is a leasing arrangement at inception. Operating lease assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses the risk-free rate of return. The Organization leases office space under a non-renewable operating lease.

Leases with an initial term of 12 months or less are not recorded on the balance sheet and are expensed on a straight-line basis.

The Organization is not required to reassess each of the following:

- Whether any expired or existing contracts are or contain leases
- The lease classification for any expired or existing leases
- Initial direct costs for any existing leases

United for a Fair Economy, Inc. elected the package of practical expedients as permitted under the transition guidance within the new standard which allows for the carryforward of an historical lease classification.

Under ASC 842, the Organization has elected to implement certain practical expedients as follows:

The short-term lease exception in which lessees may elect to not apply the lease accounting guidance for short-term leases. A short-term lease is a lease that, at the commencement date, has a lease term of twelve months or less, does not include an automatic renewal and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise.

The accounting policy election for all leases, which permits a non-public entity lessee to use a risk-free discount rate for the lease, is determined using a periodic comparable with that of the lease term.

UNITED FOR A FAIR ECONOMY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(3) LIQUIDITY AND AVAILABILITY OF RESOURCES

United for a Fair Economy, Inc. regularly monitors liquidity required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. The Organization receives significant contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. UFE manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organization has a liquidity goal of maintaining current financial assets less current liabilities at a minimum of 90 days operating expenses.

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:

	2024	2023
Cash and cash equivalents	\$176,675	\$109,001
Pledges and grants receivable	170,000	315,000
Accounts receivable	<u>6,582</u>	<u>13,290</u>
	<u>\$353,257</u>	<u>\$437,291</u>

As part of UFE's liquidity management plan, cash in excess of daily requirements is invested in an interest-bearing savings account. The Organization maintains segregated financial assets on hand to meet a minimum of one month of normal operating expenses, with a goal to increase that fund to three months of operating expenses.

(4) TAX STATUS

United for a Fair Economy, Inc. is exempt from federal and state income tax under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the financial statements. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(a) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

UFE has identified its tax status as a tax-exempt entity as a tax position; however, UFE has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. Its federal and state income tax returns are generally open for examination for the past three years.

UNITED FOR A FAIR ECONOMY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(5) OPERATING LEASES

Office space Boston:

UFE leases office space in Boston under a non-cancelable operating lease which commenced on September 1, 2018 and continues until August 31, 2024. There are no renewal options. As of July 1, 2022, the Organization capitalized this as a "right to use building" at the present value amount of \$83,000. The discount rate used to determine the present value of the lease payments was 3%. Future minimum lease payments for the asset are as follows:

Fiscal year ending June 30:	
2025	<u>\$ 6,923</u>
	6,923
Less amounts representing interest	<u>(5,680)</u>
Present value of future minimum lease payments	<u>\$ 1,243</u>

Rent expense for Boston office space totaled \$44,951 and \$44,766, respectively, for fiscal years ending June 30, 2024 and 2023.

(6) CONCENTRATIONS

Cash:

The Organization maintains cash balances at a highly rated financial institution. Balances in these accounts may, at times, exceed federally insured limits. Bank balance amounts in excess of federally insured limits totaled \$-0- as of June 30, 2024 and 2023, respectively. The Organization has not experienced any losses in such accounts. Management believes there is no significant risk with respect to these accounts.

Contribution and grant revenue:

Five donors were responsible for 48% of total contribution and grant revenue for fiscal year ending June 30, 2024.

Five donors were responsible for 53% of total contribution and grant revenue for fiscal year ending June 30, 2023.

Pledges and grants receivable:

Four donors were responsible for 100% of total pledges and grants receivable as of June 30, 2024.

Three donors were responsible for 100% of total pledges and grants receivable as of June 30, 2023.

UNITED FOR A FAIR ECONOMY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(7) PLEDGES AND GRANTS RECEIVABLE

Pledges and grants receivable at June 30, 2024 and 2023 consist of unconditional promises to give expected to be collected within one year.

Pledges and grants receivable are considered low risk because a significant portion represents commitments from either large, well-established foundations or individual donors with a long-term relationship with the Organization. Therefore, no allowance for uncollectible amounts is deemed necessary.

(8) INVESTMENTS

The Organization maintains an investment account in order to transact stock donations. Shares are converted to cash as soon as feasible after the transfer date. Stock contributions are valued at quoted market prices as of the date of transfer. Gains and losses include amounts recognized on sales of stock donations.

Investment return consists of the following:

	2024	2023
Net realized loss	<u>\$(1,076)</u>	<u>\$(2,626)</u>
Total investment loss	<u>\$(1,076)</u>	<u>\$(2,626)</u>

(9) LINE OF CREDIT

The line of credit was set up as part of the financial management process and is linked to the operating bank account. As of June 30, 2024 and 2023, the balance due was \$-0-, respectively.

UNITED FOR A FAIR ECONOMY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024

(10) NET ASSETS WITH DONOR RESTRICTIONS

Grants and contributions with temporary restrictions assigned by donors at June 30, 2024 and 2023 consist of the following:

	2024	2023
Grants for use in subsequent fiscal years	\$ -	\$ 45,000
Grants for specified use in subsequent fiscal years	<u>262,500</u>	<u>212,500</u>
Total	<u>\$262,500</u>	<u>\$257,500</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	2024	2023
Expiration of time restrictions	\$ 45,000	\$ 65,000
Expiration of time and use restrictions	<u>100,000</u>	<u>40,700</u>
Total	<u>\$145,000</u>	<u>\$105,700</u>

(11) EMPLOYEE BENEFIT PLAN

The Organization sponsors a 401(k) plan. All full-time employees are eligible to contribute a portion of their eligible compensation to the plan in accordance with plan provisions. The employer contributes 2% of each eligible employee's compensation.

United for a Fair Economy, Inc.'s contributions to the plan were \$10,384 and \$11,055 for the fiscal years ended June 30, 2024 and 2023, respectively.

(12) SUBSEQUENT EVENTS

United for a Fair Economy, Inc. evaluated subsequent events through May 9, 2025, which is the date the financial statements were available to be issued.

On August 28, 2024, UFE entered into a Tenancy-at-Will agreement with the landlord at their present location. The agreement commences on September 1, 2024 and includes a monthly rent amount of \$2,000. Either party may terminate the month-to-month tenancy by providing the other party with at least sixty days' prior written notice.