

NEW ECONOMY PROJECT, INC.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023

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Independent Auditor's Report

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ROSS WISDOM CPA, PLLC
150 BROADWAY, SUITE 1105
NEW YORK, NY 10038
212-986-0892
FAX 212-661-1970

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
New Economy Project, Inc.
121 West 27th Street, #804
New York, NY 10001

Opinion

We have audited the accompanying financial statements of New Economy Project, Inc. and New Economy Loan Fund, LLC (collectively, the "Organization"), which comprise the consolidated 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 New Economy Project, Inc. and Affiliate 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of New Economy Project, Inc. and affiliate 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 New Economy Project, 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, including omissions, 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 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 New Economy Project 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 New Economy Project 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating information as listed in the table of contents is presented for purposes of additional analysis rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.



Ross Wisdom CPA, PLLC

New York, NY
December 19, 2024

NEW ECONOMY PROJECT, INC. AND AFFILIATE
Consolidated Statements of Financial Position
At June 30, 2024 and 2023

	2024	2023
	COMPARATIVE	
Assets		
Current assets		
Cash and cash equivalents (note 2f)	\$ 809,403	\$ 386,903
Cash - board reserve	4,765	75,278
Cash - New Economy Loan Fund, LLC	45,215	43,850
Money Market Fund - New Economy Loan Fund, LLC	122,000	72,000
Marketable securities (note 4)	61,468	47,965
Grants receivable (note 2e)	1,105,026	845,612
Program fee receivable	39,308	159,000
Prepaid expenses	9,401	23,700
Total current assets	2,196,586	1,654,308
Property and equipment - net (note 6)	12,607	10,048
Noncurrent assets		
Loans receivable and loan collateral (note 7)	1,224,894	1,121,284
Grants receivable (note 2e)	231,429	632,510
Certificates of deposit	2,245,131	952,572
Certificates of deposit - board reserve	1,300,335	1,300,584
Restricted cash	624,994	856,919
Restricted money market funds	898,753	632,193
Interest receivable on loans	130,471	139,485
Security deposit	28,686	28,039
Total noncurrent assets	6,684,693	5,663,586
Total assets	\$ 8,893,886	\$ 7,327,942
Liabilities and net assets		
Current liabilities		
Accrued expenses	\$ 27,697	\$ 21,539
Subgrants payable	0	5,500
Total current liabilities	27,697	27,039
Noncurrent liabilities		
Notes payable	61,468	47,965
Total noncurrent liabilities	61,468	47,965
Total liabilities	89,165	75,004
Net assets		
Net assets without donor restrictions		
Board-designated	1,305,100	1,375,862
Undesignated	3,664,415	2,066,088
Total net assets without donor restrictions (note 3)	4,969,515	3,441,950
Net assets with donor restrictions (note 3)		
Total net assets	3,835,206	3,810,988
Total liabilities and net assets	\$ 8,893,886	\$ 7,327,942

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

NEW ECONOMY PROJECT, INC. AND AFFILIATE
Consolidated Statements of Activities
For the years ended June 30, 2024 and 2023

	Without Donor Restrictions	With Donor Restrictions	Total - 2024	Total - 2023
Support & revenue				
Government grants (note 9)	\$ 293,000	\$ 33,750	\$ 326,750	\$ 855,750
Foundation grants (note 9)	2,589,945	554,167	3,144,112	779,500
Individuals & corporate contributions	77,025		77,025	49,121
In-kind legal services	172,927		172,927	30,051
Program fee revenue	144,058		144,058	198,300
Interest and investment income	198,072	(7,934)	190,138	91,375
Loan loss recovery	4,272		4,272	
Net assets released from restrictions	555,765	(555,765)	0	0
Total support & revenue	\$ 4,035,064	\$ 24,218	\$ 4,059,282	\$ 2,004,097
Functional expenses				
Program services	\$ 2,012,878		\$ 2,012,878	\$ 1,680,159
Management & general	263,482		263,482	263,365
Fundraising	231,139		231,139	213,293
Total functional expenses	\$ 2,507,499	\$ -	\$ 2,507,499	\$ 2,156,817
Increase (decrease) in net assets	\$ 1,527,565	\$ 24,218	\$ 1,551,783	\$ (152,720)
Net assets, beginning of year	3,441,950	3,810,988	7,252,938	7,405,658
Net assets, end of year	\$ 4,969,515	\$ 3,835,206	\$ 8,804,721	\$ 7,252,938

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

NEW ECONOMY PROJECT, INC. AND AFFILIATE
Consolidated Statements of Functional Expenses
For the year ended June 30, 2024

	Program Services	Management & General	Fundraising	Total - 2024
Salaries and wages	\$ 1,268,429	\$ 149,438	\$ 180,610	\$ 1,598,477
Payroll taxes and fringe benefits	265,005	30,759	33,219	328,983
Accounting fees		23,100		23,100
Bank fees	2,758	1,183		3,941
Consultant services	105,422	19,766	6,589	131,777
Depreciation		2,268		2,268
Dues and subscriptions	2,498			2,498
Subgrants	3,000			3,000
In-kind legal services	172,927			172,927
Insurance	6,031	2,585		8,616
Interest expense		1,150		1,150
Licenses and fees	11,465	4,913		16,378
Loan loss expense		912		912
Meetings, special events & travel	4,285	233	140	4,658
Occupancy expenses	132,601	24,863	8,287	165,751
Office-related expenses	5,788	681	340	6,809
Postage and shipping	46	4	34	84
Printing and copying	2,369	148	444	2,961
Research and materials	3,677			3,677
Staff training and development	4,227		222	4,449
Technology	18,521	1,029	1,029	20,579
Telephone	3,829	450	225	4,504
Total expenses	\$ 2,012,878	\$ 263,482	\$ 231,139	\$ 2,507,499

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

NEW ECONOMY PROJECT, INC. AND AFFILIATE
Consolidated Statements of Functional Expenses
For the year ended June 30, 2023

	Program Services	Management & General	Fundraising	Total - 2023
Salaries and wages	\$ 1,081,617	\$ 138,669	\$ 166,403	\$ 1,386,689
Payroll taxes and fringe benefits	240,265	31,585	31,298	303,148
Accounting fees		21,100		21,100
Consultant	84,942	15,927	5,308	106,177
Depreciation		992		992
Dues and subscriptions	925			925
Subgrants/Subcontractors	67,250			67,250
In-kind legal services	30,051			30,051
Insurance	5,903	2,530		8,433
Interest expense		1,064		1,064
Licenses and fees	5,557	2,381		7,938
Loan loss reserves		22,728		22,728
Meetings, special events & travel	6,170	335	201	6,706
Occupancy expenses	129,004	24,188	8,063	161,255
Office-related expenses	4,882	574	288	5,744
Payroll service fees	1,248	160	192	1,600
Postage and shipping	172	16	123	311
Printing and copying	2,672	167	500	3,339
Research and materials	3,027			3,027
Staff training and development	3,405		179	3,584
Technology	9,471	526	526	10,523
Telephone	3,598	423	212	4,233
Total expenses	\$ 1,680,159	\$ 263,365	\$ 213,293	\$ 2,156,817

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

NEW ECONOMY PROJECT, INC. AND AFFILIATE
Consolidated Statements of Cash Flows
For the years ended June 30, 2024 and 2023

	2024	2023
		COMPARATIVE
Operating activities		
Increase (decrease) in net assets	\$ 1,551,783	\$ (152,720)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation	2,268	992
Loan loss recovery	(4,272)	22,728
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Marketable securities	(13,503)	(5,124)
Grants receivable	141,666	(306,860)
Program fee receivable	119,692	(158,800)
Prepaid expenses	14,299	(23,700)
Loans receivable and loan collateral	(99,338)	31,078
Interest receivable on loans	9,014	(9,446)
Security deposit	(647)	(633)
(Decrease) increase in:		
Accrued expenses	6,158	(1,550)
Subgrants payable	(5,500)	(6,500)
Notes payable	13,503	5,124
Total adjustments	183,340	(452,691)
Net cash provided (used) by operating activities	1,735,123	(605,411)
Investing activities		
Certificate of deposit	(1,292,559)	(201,259)
Certificate of deposit - board reserve	250	(30,931)
Restricted money market funds	(266,560)	32,542
Money Market Fund - New Economy Loan Fund, LLC	(50,000)	(72,000)
Purchase of property and equipment	(4,827)	(9,462)
Net cash provided (used) by investing activities	(1,613,696)	(281,110)
Financing activities		
Net cash provided (used) by financing activities	0	0
Increase (decrease) in cash	121,427	(886,521)
Cash, beginning of year	1,362,950	2,249,471
Cash, end of year	\$ 1,484,377	\$ 1,362,950
Cash and cash equivalents	\$ 809,403	\$ 386,903
Cash - board reserve	4,765	75,278
Cash - New Economy Loan Fund, LLC	45,215	43,850
Restricted cash	624,994	856,919
Cash, end of year	\$ 1,484,377	\$ 1,362,950

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

NEW ECONOMY PROJECT, INC. AND AFFILIATE NOTES TO FINANCIAL STATEMENTS

Note 1 – ORGANIZATION

New Economy Project, Inc. was organized in 1995 to promote community economic justice in New York City neighborhoods. The Organization's mission is to build an economy that works for all, rooted in racial and social justice, cooperation, neighborhood equity and ecological sustainability.

New Economy Loan Fund LLC, a wholly-owned subsidiary of New Economy Project, Inc., was organized in November 2014 to further advance New Economy Project, Inc.'s objectives.

New Economy Project, Inc. and New Economy Loan Fund LLC (collectively, the "Organization") work closely with a wide array of community groups to press for equitable and sustainable community development. The Organization employs multiple strategies, including community outreach and education, advocacy, coalition organizing, policy research and analysis, media outreach, direct legal services, impact litigation, and technical support to community groups, to address inequities in the financial services system that impede community development and perpetuate poverty, inequality, and segregation. The Organization coordinates several broad-based, city- and state-wide coalitions that advance new economy and economic justice organizing. In addition, the Organization supports groups in the creation of community-based economic development vehicles, such as worker and financial cooperatives, community land trusts, and mutual housing.

In 2013, the Organization changed its name from Neighborhood Economic Development Advocacy Project, Inc. to New Economy Project, Inc.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation and Use of Estimates

The accompanying consolidated financial statements have been prepared on an accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and other disclosures in the consolidated financial statements. Accordingly, actual results could differ from those estimates.

(b) Principles of Consolidation

The accompanying consolidated financial statements include the accounts of New Economy Project, Inc. and its wholly-owned subsidiary. All material intercompany accounts and transactions have been eliminated in consolidation.

(c) Presentation of Net Assets

The net assets of the Organization and changes therein are classified as net assets without donor restrictions and net assets with donor restrictions based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions are those that are not subject to donor-imposed stipulations. Net assets with donor restrictions represent contributions with donor-imposed restrictions that have not yet been satisfied or are time restricted. When a stipulated time restriction ends or a purpose restriction is accomplished, 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 restriction.

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue Recognition – Public Donations, In-Kind Services and Program Fees

Public donations, in-kind services and program fees are reported at estimated net realizable amounts from public and corporate donors and program services. In-kind pro bono legal services amounted to \$172,927 and \$30,051 respectively for the years ended June 30, 2024 and 2023. Two law firms provided in-kind, pro bono services to the Organization in the current year, including policy and legal analysis related to community land trusts and public banking initiatives; and services to support the New Economy Loan Fund's expansion, loan originations, and related activities.

The Organization follows U.S. GAAP guidance on accounting for contributions received and made. Accordingly, contributed assets are recorded at fair value at date of donation. Services are recognized as revenue and assets or expenses at fair value, if those services: (i) create or enhance nonfinancial assets; (ii) would typically need to be purchased by the Organization if they had not been provided by contribution; or (iii) require specialized skills and are provided by individuals with those skills.

(e) Contributions and Grants Receivable

Contributions and grants receivable that represent unconditional promises to give are recognized as revenues when the promise is received. Contributions and grants receivable that are expected to be collected in less than one year are reported at the net realizable value of \$1,105,026.

All of the Organization's current and noncurrent contributions and grants receivable that are expected to be collected are as follows:

Grants receivable - current	<u>\$ 1,105,026</u>
Grant Receivable - noncurrent	
NYS UCS	
June 30, 2026	149,779
June 30, 2027	81,650
July 1, 2026 to December 31, 2027	<u> </u>
	<u>\$ 231,429</u>
Total grants receivable	<u><u>\$ 1,336,455</u></u>

Management does not believe an allowance for uncollectible amounts is necessary, based on historical experience with the donors and grantors.

(f) Cash and Cash Equivalents

For Purposes of the consolidated statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less included as cash equivalents.

(g) Property and Equipment

Property and equipment are stated at cost. Expenditures that substantially increase estimated useful lives are capitalized and depreciated using the straight-line method over their estimated useful lives.

Maintenance, repairs and minor renewals are expensed as incurred. The cost of leasehold improvements is depreciated over an estimated useful life of five to seven years. The cost of furniture and equipment is depreciated over an estimated useful life of five to seven years.

NEW ECONOMY PROJECT, INC. AND AFFILIATE NOTES TO FINANCIAL STATEMENTS

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Marketable Securities

Investments are recorded at fair market value, as determined by quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses on investments in securities are calculated based on average cost and are reflected in the statements of activities. Interest income is recorded on an accrual basis.

(i) Fair Value Measurements

The Organization follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist. All of the Organization's financial instruments measured at fair value are Level 1 inputs.

(j) Risks and Uncertainties

Investments are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the net assets of the Organization.

(k) Income Tax Status

New Economy Project, Inc. is a publicly supported not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). For the years ended June 30, 2024 and June 30, 2023 there was no Unrelated Business Taxable Income (UBTI) and accordingly no provision for income taxes were made. The past three years remain open for examination by the tax authorities (federal form 990 & NYS CHAR-500).

Accounting principles generally accepted in the United States of America require evaluation of the tax positions taken or expected to be taken in the course of preparing the Organization's tax returns to determine whether the tax positions are more likely than not sustainable upon examination by the applicable taxing authorities, based on the technical merits of the tax positions, and then recognizing the tax benefit that is more likely than not to be realizable. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense in the current reporting period. Management believes the effects of such positions would be immaterial to the overall consolidated financial statements.

New Economy Loan Fund LLC is a single-member limited liability company owned by New Economy Project, Inc. Therefore, all the activities of the company are reported in New Economy Project, Inc.'s information returns.

(l) Functional Allocation of Expenses

Expenses have been charged to program and supporting services, either directly when identifiable to specific program, or indirectly based on management's estimate of the functional area benefited.

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 – RESTRICTED ASSETS AND NET ASSETS WITH RESTRICTIONS

The Organization has presented net assets in the consolidated financial statements according to the type of donor restriction or absence thereof.

(a) At June 30, 2024 and 2023, restricted assets include loan fund capital and collateral and other funds restricted for specific programs, as follows:

	<u>2024</u>	<u>2023</u>
New Economy Loan Fund LLC:		
- Loans receivable	\$ 700,000	\$ 550,000
- Money Market Funds	122,000	72,000
- Interest on loans receivable	0	9,014
New Economy Project (loan fund capital)	1,521,442	1,487,783
NYC Foreclosure Prevention Gap Loan Fund:		
- Security on loans made	73,373	81,307
- Interest receivable	130,029	130,471
NYS Community Equity Agenda Access Fund	2,305	1,330
	<u><u>\$ 2,549,149</u></u>	<u><u>\$ 2,331,905</u></u>

(b) At June 30, 2024 and 2023, certain governments grants and foundation contributions were restricted for the passage of time as follows:

	<u>2024</u>	<u>2023</u>
Altman Foundation	\$ 83,333	\$ -
Ford Foundation	91,667	191,667
Further Justice Foundation	16,667	0
Jessie Smith Noyes Foundation	0	11,250
Gimbel Foundation	50,000	0
Mertz Gilmore Foundation	59,167	13,333
New York Community Trust	87,500	31,250
New York Foundation	95,000	62,500
NYS IOLA Fund	202,500	393,750
NYS Unified Court System	373,973	506,583
Robin Hood Foundation	112,500	112,500
Scherman Foundation	25,000	62,500
SC Group	50,000	0
U. S. CDFI Fund	38,750	93,750
	<u><u>\$ 1,286,057</u></u>	<u><u>\$ 1,479,083</u></u>

At June 30, 2024 and 2023, net assets with restrictions total \$3,835,206 and \$3,810,988 respectively.

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 – INVESTMENTS

Investments at June 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Marketable securities	<u>\$ 61,468</u>	<u>\$ 47,965</u>

The Organization has received two loans to invest in publicly-traded companies as part of its shareholder advocacy (Note 8). Under the terms of its consolidated promissory note, the Organization must repay the lender the full value of the stock, as well as any and all investment earnings, when the loan becomes due.

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Based on the observability inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest priority to the unobservable inputs (Level 3). Financial assets carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets.
- Level 2 – Observable inputs other than Level 1 including quoted process for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

- Common stock, mutual and exchange-trade funds, and preferred stock are valued at the closing price reported on the active market in which the individual security is traded.
- Investment in CD funds is valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There were no transfers between levels during the years ended June 30, 2024 and 2023.

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's assets as fair value as of June 30, 2024 and 2023. There have been no changes in the methodologies used at June 30, 2024 and 2023.

	Fair Value as of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Investment in money market fund	\$ 898,753	\$ -	\$ -	\$ 898,753
Money Market Fund - NELF, LLC	\$ 122,000			122,000
Marketable securities	61,468	-	-	61,468
Total investments at fair value	\$ 1,082,221	\$ -	\$ -	\$ 1,082,221

	Fair Value as of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Investment in money market fund	\$ 632,193	\$ -	\$ -	\$ 632,193
Money Market Fund - NELF, LLC	\$ 72,000			72,000
Marketable securities	47,965	-	-	47,965
Total investments at fair value	\$ 752,158	\$ -	\$ -	\$ 752,158

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2024 and 2023 consists of the following:

	2024	2023
Leasehold improvement	\$ 107,323	\$ 107,323
Furniture and equipment	18,405	13,578
	125,728	120,901
Less, accumulated depreciation	(113,121)	(110,853)
Property and equipment - net	\$ 12,607	\$ 10,048

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – LOAN PROGRAMS

(a) New Economy Loan Fund

In 2014, the Organization established the New Economy Loan Fund to advance racial and economic justice by supporting community-led economic development initiatives in New York City, including projects that expand access to living wage jobs, affordable housing, and other social and economic opportunities, in low-income neighborhoods and communities of color. The program is designed to (i) fill gaps in financing currently available to social justice enterprises and initiatives; (ii) leverage financing, through participation loans and other risk- and revenue-sharing strategies; and (iii) develop an effective, sustainable, and replicable financing model that advances social justice.

Initial lending capital, in the amount of \$500,000, for the loan program was provided by an anonymous donor. The loan program also received lending capital reallocated from the FP Gap Loan Fund, as described in (b) below.

In May 2020, the New Economy Loan Fund LLC made a five-year \$150,000 loan to The Working World, Inc. (TWW), adding to the \$350,000 loan the New Economy Loan Fund LLC made to TWW in February 2017. TWW's Senior Fellow, co-founder, and previous executive director is also a board member of the Organization. The maturity date of this loan is May 7, 2025. No interest has been accrued per the terms of the loan in the current year.

In June 2024, the New Economy Loan Fund LLC made a three-year \$200,000 loan to 248 Arlington Avenue LLC. to support the East New York Community Land Trust's rehabilitation of a 20-unit residential building that the CLT will preserve as permanently affordable housing. The maturity date of this loan is June 28, 2027. Interest is accrued on this loan at a rate of 3% per annum. No interest has been accrued per the terms of the loan in the current year.

(b) Foreclosure Prevention Gap Loan Program

From 2008 through 2013, the Organization operated the NYC Foreclosure Prevention Gap Loan Program ("FP Gap Loan Fund"), a model foreclosure prevention program that New York City and New York State both replicated. The Organization received lending capital totaling \$2,500,000 for the loan fund, from an anonymous donor. As the program wound down, with the donor's approval, the Organization reallocated \$1,278,450 to the New Economy Loan Fund and set aside the remaining \$60,000 for potential refinancing of foreclosure prevention loans.

The Organization continues to administer all outstanding loans, in partnership with Lower East Side People's Federal Credit Union (LESPFCU), which originated loans secured by the Organization's loan fund, and with FJC, a not-for-profit organization through which the Organization made non-amortizing mortgages directly to low-income New Yorkers. The program benefited more than 400 lower-income New York City residents.

The management of the Organization has set up reserves of \$49,054 and \$54,442 for the years ended June 30, 2024 and 2023, respectively, for potential future loan losses on the Foreclosure Prevention Gap Loan Program. For the year ending on June 30, 2024, the Organization maintained reserves of 10% of outstanding loans made through direct lending and 0% for the loans made through the credit union.

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 – LOAN PROGRAMS (continued)

The following table summarizes the outstanding loans at June 30, 2024 and 2023

	FP Gap Loan Fund Direct Lending	FP Gap Loan Fund - Security Collateral	New Economy Loan Fund	Total
Balance - July 1, 2022	\$ 543,461	\$ 81,629	\$ 550,000	\$ 1,175,090
Repayments/adjustments	(21,686)	(9,392)		(31,078)
Change in loan loss reserves	(31,798)	9,070		(22,728)
Balance - June 30, 2023	489,977	81,307	550,000	1,121,284
Repayments/adjustments	(42,728)	(7,934)	150,000	99,338
Change in loan loss reserves	4,272			4,272
Balance - June 30, 2024	<u>\$ 451,521</u>	<u>\$ 73,373</u>	<u>\$ 700,000</u>	<u>\$ 1,224,894</u>

NOTE 8 – NOTES PAYABLE

The Organization entered into two unsecured promissory notes (the "Notes") in the principal amounts of \$7,500, on July 25, 2007, and \$15,000, on July 29, 2011. Per the Notes, the Organization used the principal to purchase securities of certain publicly-traded financial companies, in furtherance of the Organization's shareholder advocacy initiative. The Notes require annual interest payments to the lender every July 25th equal to the dividends and other earnings on the securities purchased. Additionally, under the terms of the Notes, the Organization must repay the lender the full value of the stock, as well as any and all investment earnings, when the loans are due. On December 19, 2019, the lender extended the maturity date for both loans to July 25, 2024, effectively consolidating the two Notes into one. At June 30, 2024 and 2023, \$61,468 and \$47,965 respectively, were payable to lender.

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 – GRANTS AND CONTRIBUTIONS

Grants and contribution revenue for the years ended June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Government Grants:		
NYC Dept. for the Aging	\$ 73,500	\$ 75,000
NYC Dept. of Youth & Community Development	100,000	107,500
NYC Dept. of Housing Preservation & Development	98,250	98,250
NYS IOLA Fund	55,000	450,000
NYS Unified Court System		
U. S. CDFI Fund		125,000
	<u>\$ 326,750</u>	<u>\$ 855,750</u>
Foundation Grants:		
Altman Foundation	\$ 100,000	\$ -
Americans for Financial Reform	25,000	0
Center for Responsible Learning	15,000	0
Equal Justice America	0	2,000
Fan Fox and Leslie R. Samuels Foundation	0	10,000
Fidelity Investments Charitable Gift Fund (note 10)	2,000,500	0
Ford Foundation	0	200,000
FurtherJustice Foundation	25,000	5,000
Gimbel Foundation	100,000	0
Heron Foundation	1,022	0
Hyde and Watson Foundation	8,000	10,000
Johnson Family Foundation	30,000	15,000
Mertz Gilmore Foundation	90,000	10,000
New York Bar Association	6,290	0
New Economy Coalition	16,500	0
New York Community Trust	175,000	125,000
New York Foundation	100,000	102,500
Robin Hood Foundation	150,000	150,000
SC Group	301,800	0
Scherman Foundation	0	75,000
Stolper Fertik Family Foundation	0	75,000
	<u>\$ 3,144,112</u>	<u>\$ 779,500</u>

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 – ONE-TIME AWARD

In April 2024, the Organization received a one-time, unrestricted grant of \$2 million (plus a \$500 honorarium) from Fidelity Investments Charitable Gift Fund. The funds were awarded through the Yield Giving Open Call and will be used to further the mission of the Organization.

NOTE 11 – RETIREMENT PLAN

The Organization maintains a 403(b) plan, which is available to all eligible employees. Participants may contribute a certain percentage of their compensation, not to exceed the limitations established by the IRC. The Organization matches employee contributions to the plan after one year of continuous full-time employment. The Organization matches up to 4%. For the years ended June 30, 2024 and 2023, employer contributions to the plan were \$38,348 and \$31,768, respectively.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

(a) Operating Lease

On November 13, 2024 the Organization extended its lease agreement for its office space for an additional 5 years expiring on November 30, 2029. The new lease requires minimum monthly payments of \$9,152 with annual increases of 2.5%.

Future minimum lease payments are as follows:

Year Ending	Amount
June 30, 2025	\$ 129,516
June 30, 2026	109,819
June 30, 2027	112,564
June 30, 2028	115,378
June 30, 2029	118,263
July 1, 2029 to November 30, 2029	49,782
	<hr/>
	\$ 635,322

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 13 – AVAILABILITY AND LIQUIDITY OF FINANCIAL ASSETS.

The following represents the Organization's financial assets at June 31, 2024 & 2023:

Financial assets at year end:	2024	2023
Cash and cash equivalents	\$ 809,403	\$ 386,903
Cash - board reserve	4,765	75,278
Cash - New Economy Loan Fund, LLC	45,215	43,850
Certificates of deposit	2,245,131	952,572
Certificates of deposit - board reserve	1,300,335	1,300,584
Grants receivable - current	1,105,026	845,612
Interest receivable on loans	130,471	139,485
Loans and loan security collateral receivable	1,224,894	1,121,284
Marketable securities	61,468	47,965
Money Market Fund - New Economy Loan Fund, LLC	122,000	72,000
Prepaid expenses	9,401	23,700
Program fee receivable	39,308	159,000
Restricted cash	624,994	856,919
Restricted money market funds	898,753	632,193
Total financial assets	8,621,164	6,657,345
Less amounts not available to be used within one year:		
Net assets with donor restrictions	3,835,206	3,810,988
Less net assets with purpose restrictions to be met in less than a year	-	-
Board-designated funds for future use	1,305,100	1,375,862
	5,140,306	5,186,850
Financial assets available to meet general expenditures over the next twelve months.	\$ 3,480,858	\$ 1,470,495

The Organization's goal is generally to maintain financial assets to meet 180 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificate of deposits.

NOTE 14 – CONCENTRATIONS OF RISK

The Organization's policy is to maintain its cash in federally insured deposit accounts. The Organization maintains some of its cash in credit union and bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant risk in cash and cash equivalents.

NOTE 15 – RELATED PARTY TRANSACTIONS

During the fiscal year ended June 30, 2024, the Organization received fees for services revenue from a legal services organization whose project director serves on the Organization's board.

A member of New Economy Project's board of director is the former CEO of, and continues to serve As a consultant of LESPFUCU.

The Organization received a small grant from FurtherJustice, a foundation that supports civil legal services. A member of the Organization's board is a co-founder of FurtherJustice.

**NEW ECONOMY PROJECT, INC. AND AFFILIATE
NOTES TO FINANCIAL STATEMENTS**

NOTE 16 - SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through the December 19, 2024 and determined there are no material recognized or unrecognized subsequent events warranting adjustment or disclosure.

NEW ECONOMY PROJECT, INC. AND AFFILIATE
Consolidated Schedule of Financial Position
At June 30, 2024

Assets	New Economy Project, Inc.	New Economy Loan Fund, LLC	Eliminations	Consolidated
Current assets				
Cash and cash equivalents (note 2f)	\$ 809,403		\$ -	\$ 809,403
Cash - board reserve	4,765			4,765
Cash - New Economy Loan Fund, LLC		45,215		45,215
Money Market Fund - New Economy Loan Fund, LLC		122,000		122,000
Marketable securities (note 4)	61,468			61,468
Grants receivable (note 2e)	1,055,026	50,000		1,105,026
Program fee receivable	39,308			39,308
Prepaid expenses	9,401			9,401
Total current assets	1,979,371	217,215		2,196,586
 Property and equipment - net (note 6)	 12,607			 12,607
Noncurrent assets				
Loans receivable and loan collateral (note 7)	524,894	700,000		1,224,894
Grants receivable (note 2e)	231,429			231,429
Certificates of deposit	2,245,131			2,245,131
Certificates of deposit - board reserve	1,300,335			1,300,335
Restricted cash	624,994			624,994
Restricted money market funds	898,753			898,753
Interest receivable on loans	130,471			130,471
Security deposit	28,686			28,686
Total noncurrent assets	5,984,693	700,000	0	6,684,693
Total assets	\$ 7,976,671	\$ 917,215	\$ -	\$ 8,893,886
Liabilities and net assets				
Current liabilities				
Accrued expenses	\$ 27,697	\$ -	\$ -	\$ 27,697
Due to / from affiliate	(35,000)	35,000		0
Total current liabilities	(7,303)	35,000	0	27,697
Noncurrent liabilities				
Notes payable	61,468			61,468
Total noncurrent liabilities	61,468			61,468
Total liabilities	54,165	35,000	0	89,165
Net assets				
Net assets without donor restrictions				
Board-designated	1,305,100			1,305,100
Undesignated	3,664,415			3,664,415
Total net assets without donor restrictions	4,969,515	0	0	4,969,515
Inter-fund transfers	(200,000)	200,000		
Net assets with donor restrictions (note 3)	3,152,991	682,215		3,835,206
Total net assets	7,922,506	882,215	0	8,804,721
Total liabilities and net assets	\$ 7,976,671	\$ 917,215	\$ -	8,893,886

See Independent Auditor's Report on Supplementary Information

NEW ECONOMY PROJECT, INC. AND AFFILIATE
Consolidated Schedule of Activities
For the year ended June 30, 2024

	New Economy Project, Inc.	New Economy Loan Fund, LLC	Eliminations	Consolidated
Support & revenue				
Government grants (note 9)	\$ 326,750		\$ -	\$ 326,750
Foundation grants (note 9)	3,144,112			3,144,112
Individuals & corporate contributions	77,025			77,025
In-kind legal services	70,638	102,289		172,927
Program fee revenue	194,058		(50,000)	144,058
Interest and investment income	177,534	12,604		190,138
Loan loss recovery	4,272			4,272
Net assets released from restrictions	0	0	0	
Total support & revenue	\$ 3,994,389	\$ 114,893	\$ (50,000)	\$ 4,059,282
Functional expenses				
Program services	\$ 1,905,814	\$ 157,064	(50,000)	\$ 2,012,878
Management & general	263,004	478		263,482
Fundraising	231,139			231,139
Total functional expenses	\$ 2,399,957	\$ 157,542	\$ (50,000)	\$ 2,507,499
Increase (decrease) in net assets	\$ 1,594,432	\$ (42,649)	\$ -	\$ 1,551,783
Inter-fund transfers	(200,000)	200,000		
Net assets, beginning of year	6,528,074	724,864		7,252,938
Net assets, end of year	\$ 7,922,506	\$ 882,215	\$ -	\$ 8,804,721

See Independent Auditor's Report on Supplementary Information

NEW ECONOMY PROJECT, INC. AND AFFILIATE
Consolidated Schedule of Functional Expenses
For the year ended June 30, 2024

	New Economy Project, Inc.	New Economy Loan Fund, LLC	Eliminations	Consolidated
Salaries and wages	\$ 1,598,477	\$ -	\$ -	1,598,477
Payroll taxes and fringe benefits	328,983			328,983
Accounting fees	23,100			23,100
Bank fees	3,469	472		3,941
Consultant	127,002	4,775		131,777
Depreciation	2,268			2,268
Dues and subscriptions	2,498			2,498
Subgrants/Subcontractors	3,000	50,000	(50,000)	3,000
In-kind legal services	70,638	102,289		172,927
Insurance	8,616			8,616
Interest expense	1,150			1,150
Licenses and fees	16,378			16,378
Loan loss expense	912			912
Meetings, special events & travel	4,658			4,658
Occupancy expenses	165,751			165,751
Office-related expenses	6,803	6		6,809
Postage and shipping	84			84
Printing and copying	2,961			2,961
Research and materials	3,677			3,677
Staff training and development	4,449			4,449
Technology	20,579			20,579
Telephone	4,504			4,504
Total expenses	2,399,957	\$ 157,542	\$ (50,000)	\$ 2,507,499

See Independent Auditor's Report on Supplementary Information