

**ABLE INDUSTRIES, INC.  
FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2024 AND 2023**

**TABLE OF CONTENTS**

	<u>Page</u>
Independent Auditor's Report .....	1-3
Financial Statements	
Statements of Financial Position .....	4
Statements of Activities .....	5
Statements of Functional Expenses .....	6-7
Statements of Cash Flows .....	8-9
Notes to the Financial Statements .....	10-16
Other Independent Auditor's Report	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i> .....	17-18

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Able Industries, Inc.  
Visalia, California

### Opinion

We have audited the accompanying financial statements of Able Industries, Inc. (a nonprofit organization), 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 Able Industries, Inc. 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 Able Industries, Inc. 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 Organization'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.

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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## Other Matters

### *Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024, on our consideration of Able Industries Inc.'s internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Able Industries Inc.'s internal control over financial reporting and compliance.

*Pine, Pedroncelli & Aguilar, Inc*

Visalia, California  
November 19, 2024

**ABLE INDUSTRIES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,393,520	\$ 1,206,022
Accounts Receivable	616,361	622,378
Prepaid Expenses	37,420	27,085
Inventory	<u>155,862</u>	<u>155,862</u>
Total Current Assets	<u>2,203,163</u>	<u>2,011,347</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>4,922,247</u>	<u>5,008,411</u>
<b>TOTAL ASSETS</b>	<u>\$ 7,125,410</u>	<u>\$ 7,019,758</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 45,959	\$ 20,720
Accrued Expenses	94,522	105,396
Compensated Absences	106,842	105,042
Note Payable, Current Portion	<u>2,800,000</u>	<u>2,800,000</u>
<b>TOTAL LIABILITIES</b>	<u>3,047,323</u>	<u>3,031,158</u>
<b>NET ASSETS</b>		
Without Donor Restrictions		
Unrestricted, Undesignated	<u>4,078,087</u>	<u>3,988,600</u>
<b>TOTAL NET ASSETS</b>	<u>4,078,087</u>	<u>3,988,600</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 7,125,410</u>	<u>\$ 7,019,758</u>

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

**ABLE INDUSTRIES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:</b>		
<b>SUPPORT AND REVENUES</b>		
Contributions	\$ 4,146	\$ 7,873
Grants	60,416	72,490
Fees for Services	2,614,927	2,507,013
Contract Services	1,225,830	1,176,135
Fundraising	18,185	13,418
Interest Income	1,856	2,644
Gain on Disposal of Assets	1,250	467,148
Miscellaneous Income	23	561
	<u>3,926,633</u>	<u>4,247,282</u>
<b>EXPENSES</b>		
Program Services	2,583,814	2,630,951
Support Services		
Direct Admin	291,933	370,344
Indirect Admin	947,993	1,167,427
Fundraising	13,406	1,856
	<u>3,837,146</u>	<u>4,170,578</u>
<b>CHANGE IN NET ASSETS</b>	89,487	76,704
<b>NET ASSETS, Beginning of the Period</b>	<u>3,988,600</u>	<u>3,911,896</u>
<b>NET ASSETS, End of the Period</b>	<u>\$ 4,078,087</u>	<u>\$ 3,988,600</u>

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

**ABLE INDUSTRIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Programs										Support Services			Total
	Offsite	Rest Areas	Rehab	Lifescills		FMS Management	Indirect		Direct Admin	Indirect Admin	Fundraising	Total		
				Learning Center	Management		Admin	Admin						
Staff Wages	\$ 674,138	\$ 129,056	\$ 48,167	\$ 272,869	\$ 1,726	\$ (174,259)	\$ 951,697	\$ 174,259	\$ 479,439	\$ -	\$ 653,698	\$ 1,605,395		
Client and Supported Wages	505,431	85,390	60,489	-	-	-	651,310	-	1,170	-	1,170	652,480		
Payroll Taxes	114,529	19,845	11,220	26,629	162	(17,023)	155,362	17,023	46,935	-	63,958	219,320		
Workmen's Compensation														
Insurance	80,788	13,922	7,324	4,358	-	(11,752)	94,640	11,752	5,381	-	17,133	111,773		
Medical Insurance	135,237	5,400	2,013	54,969	2,673	(37,841)	162,451	37,841	66,644	-	104,485	266,936		
Pension	10,606	745	636	4,595	243	(4,856)	11,969	4,856	20,474	-	25,330	37,299		
Professional Services	29,269	2,457	6,092	14,729	-	(12,214)	40,333	12,214	61,651	-	73,865	114,198		
Production Supplies	9,228	4,318	8	6,740	-	(78)	20,216	78	490	-	568	20,784		
Fundraising Expense	-	-	-	-	-	-	-	-	-	13,406	-	13,406		
Telephone and Internet	13,474	2,220	1,287	5,299	5	(4,277)	18,008	4,277	11,628	-	15,905	33,913		
Repairs and Maintenance	37,069	7,979	348	8,647	-	(605)	53,438	605	16,209	-	16,814	70,252		
Equipment and Facility														
Rent	-	-	-	35,341	-	-	35,341	-	-	-	-	35,341		
Utilities	23,776	-	1,710	39,724	-	(4,314)	60,896	4,314	19,046	-	23,360	84,256		
Fuel and Oil	48,716	12,463	-	13,351	-	(1,007)	73,523	1,007	106	-	1,113	74,636		
Vehicle Insurance	12,917	710	-	4,520	-	(2,107)	16,040	2,107	1,381	-	3,488	19,528		
Staff Travel	20	109	1,549	756	-	-	2,434	-	1,384	-	1,384	3,818		
Staff Training	943	-	-	90	-	(198)	835	198	3,828	-	4,026	4,861		
Medical Exams	1,924	240	-	525	-	(290)	2,399	290	290	-	290	2,689		
Supplies	7,124	19,293	110	640	-	(833)	26,334	833	10,856	-	11,689	38,023		
Liability and Cyber Insurance	9,155	93	1,051	19,959	-	(2,540)	27,718	2,540	23,682	-	26,222	53,940		
Advertising and Promotion	752	6	-	1,247	-	(415)	1,590	415	29,346	-	29,761	31,351		
Postage and Printing	682	199	976	383	151	(500)	1,891	500	1,075	-	1,575	3,466		
Bad Debts	-	-	-	-	-	-	-	-	252	-	252	252		
Tax and Licenses	5,626	263	-	5,837	-	(582)	11,144	582	992	-	1,574	12,718		
Dues and Subscriptions	270	40	150	540	-	(270)	730	270	9,312	-	9,582	10,312		
Miscellaneous	529	100	4	298	-	(232)	699	232	1,342	-	1,574	2,273		
Interest	45,429	-	4,662	108,276	-	(11,760)	146,607	11,760	52,181	-	63,941	210,548		
Depreciation	19,410	-	-	779	-	(3,980)	16,209	3,980	83,189	-	87,169	103,378		
<b>TOTAL EXPENSES</b>	<b>\$ 1,787,042</b>	<b>\$ 304,848</b>	<b>\$ 147,796</b>	<b>\$ 631,101</b>	<b>\$ 4,960</b>	<b>\$ (291,933)</b>	<b>\$ 2,583,814</b>	<b>\$ 291,933</b>	<b>\$ 947,993</b>	<b>\$ 13,406</b>	<b>\$ 1,253,332</b>	<b>\$ 3,837,146</b>		

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

**ABLE INDUSTRIES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Programs										Support Services			Total
	Offsite	Lifeskills			FMS		Indirect		Direct		Indirect		Total	
		Rest Areas	Rehab	Learning Center	Management	Admin	Total	Admin	Admin	Admin	Admin	Fundraising		
<b>Staff Wages</b>	\$ 797,062	\$ 54,144	\$ 44,309	\$ 286,448	\$ 2,065	\$ (242,185)	\$ 941,843	\$ 242,185	\$ 517,336	\$ -	\$ 759,521	\$ 1,701,364		
Client and Supported Wages	687,261	33,536	58,900	200	-	-	779,897	-	821	-	821	780,718		
Payroll Taxes	134,107	7,565	8,888	27,114	194	(21,334)	156,534	21,334	46,362	-	67,696	224,230		
Workmen's Compensation														
Insurance	106,569	5,792	7,559	4,495	-	(17,181)	107,234	17,181	9,129	-	26,310	133,544		
Medical Insurance	163,269	8,142	5,519	47,308	1,851	(56,500)	169,589	56,500	73,529	-	130,029	299,618		
Pension	13,344	1,299	-	5,127	218	(6,252)	13,736	6,252	21,333	-	27,585	41,321		
Professional Services	419	-	-	17,266	-	-	17,685	-	112,518	-	112,518	130,203		
Production Supplies	6,699	1,824	-	1,389	-	(21)	9,891	21	831	-	852	10,743		
Fundraising Expense	-	-	-	-	-	-	-	-	-	1,856	1,856	1,856		
Telephone and Internet	16,745	1,649	1,285	7,827	67	(5,534)	22,039	5,534	19,350	-	24,884	46,923		
Repairs and Maintenance	39,317	935	298	10,817	-	(1,278)	50,089	1,278	20,660	-	21,938	72,027		
Equipment and Facility														
Rent	22,424	-	788	35,342	-	(1,601)	56,953	1,601	77,163	-	78,764	135,717		
Utilities	35,861	-	1,171	34,492	-	(2,710)	68,814	2,710	63,559	-	66,269	135,083		
Fuel and Oil	68,746	2,444	-	11,297	-	(1,893)	80,594	1,893	881	-	2,774	83,368		
Vehicle Insurance	14,094	717	-	5,471	-	(872)	19,410	872	517	-	1,389	20,799		
Staff Travel	535	-	2,144	56	-	(9)	2,726	9	1,903	-	1,912	4,638		
Staff Training	892	-	88	240	-	(492)	728	492	741	-	1,233	1,961		
Medical Exams	820	55	490	245	-	(60)	1,550	60	55	-	115	1,665		
Supplies	13,442	8,456	250	4,105	314	(849)	25,718	849	17,071	-	17,920	43,638		
Liability and Cyber Insurance	7,643	3,237	130	19,219	10	(798)	29,441	798	27,950	-	28,748	58,189		
Advertising and Promotion	8,042	138	140	1,262	-	(182)	9,400	182	58,571	-	58,753	68,153		
Postage and Printing	429	-	427	367	151	(255)	1,119	255	1,220	-	1,475	2,594		
Freight	56	-	-	15	-	-	71	-	418	-	418	489		
Tax and Licenses	5,701	344	-	3,756	-	(935)	8,866	935	694	-	1,629	10,495		
Dues and Subscriptions	432	40	260	487	-	(433)	786	433	11,052	-	11,485	12,271		
Miscellaneous	683	15	-	-	-	(128)	570	128	3,299	-	3,427	3,997		
Interest	15,412	379	1,554	18,046	-	(3,920)	31,471	3,920	35,445	-	39,365	70,836		
Research and Development	-	-	-	305	-	-	305	-	731	-	731	1,036		
Depreciation	26,319	-	373	2,122	-	(4,922)	23,892	4,922	44,288	-	49,210	73,102		
<b>TOTAL EXPENSES</b>	<b>\$ 2,186,323</b>	<b>\$ 130,711</b>	<b>\$ 134,573</b>	<b>\$ 544,818</b>	<b>\$ 4,870</b>	<b>\$ (370,344)</b>	<b>\$ 2,630,951</b>	<b>\$ 370,344</b>	<b>\$ 1,167,427</b>	<b>\$ 1,856</b>	<b>\$ 1,539,627</b>	<b>\$ 4,170,578</b>		

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



**ABLE INDUSTRIES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 89,487	\$ 76,704
Adjustments to Reconcile Change in Net Assets to Net Cash		
Flows from Operating Activities:		
Depreciation	103,378	73,102
Gain on Disposal of Assets	-	(467,148)
(Increase) Decrease in Operating Assets:		
Accounts Receivable	6,017	(76,754)
Prepaid Expenses	(10,335)	6,251
Deposits	-	1,019,559
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	25,239	(24,883)
Accrued Expenses	(10,874)	(6,735)
Compensated Absences	1,800	14,554
	<u>204,712</u>	<u>614,650</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Assets	-	699,237
Acquisitions of Property and Equipment	(17,214)	(4,943,032)
	<u>(17,214)</u>	<u>(4,243,795)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	-	2,800,000
	<u>-</u>	<u>2,800,000</u>
Net Increase (Decrease) in Cash and Cash Equivalents	187,498	(829,145)
Cash and Cash Equivalents - Beginning of Year	<u>1,206,022</u>	<u>2,035,167</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 1,393,520</u></u>	<u><u>\$ 1,206,022</u></u>

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

**ABLE INDUSTRIES, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Non-Cash Financing Activity:		
Cost of Property and Equipment Acquisitions	\$ 17,214	\$ 4,943,032
Less Financed Acquisitions	<u>-</u>	<u>(2,800,000)</u>
Net Cash Paid for Property and Equipment	<u>\$ 17,214</u>	<u>\$ 2,143,032</u>
Interest Paid	<u>\$ 210,548</u>	<u>\$ 70,836</u>

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

**ABLE INDUSTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

1. Summary of Significant Accounting Policies

Nature of Activities

Able Industries, Inc. (the Organization), is a non-profit organization serving handicapped adults in Tulare County, with the primary goal of providing work opportunities to develop and refine skills essential to improve productivity. Primary revenue sources include contracted services and vendor fees with state and local agencies and manufacturing contracts with businesses and organizations statewide.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

The Organization is required to report information regarding the financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

*Net Assets Without Donor Restrictions:* Net assets that are not subject to donor-imposed stipulations.

*Net Assets With Donor Restrictions:*

*Purpose/Time Restricted* - Net asset subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When 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.

*Perpetual* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits. At June 30, 2024 and 2023, the Organization exceeded the insured limit by approximately \$998,932 and \$766,039 respectively.

Accounts Receivable

All accounts receivable are considered to be fully collectible, therefore no allowance for doubtful accounts is deemed necessary. If amounts become uncollectible, they will be charged to operations when the determination is made.

**ABLE INDUSTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

1. Summary of Significant Accounting Policies (Continued)

Inventory

Inventories of raw material are valued at the lower of cost or net realizable value on a first-in, first-out basis. Inventory also includes some merchandise for which some minor processing has been performed. Accounting principles generally accepted in the United States of America require these processing charges be included as part of inventory.

Property and Equipment

Property and equipment are valued at cost, if purchased or at fair value at the date of the gift, if donated less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. The estimated useful life ranges from 5-39 years depending upon the type of asset. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Generally, all property and equipment acquisition of \$2,500 or more are capitalized.

Depreciation expense for the years ended June 30, 2024 and 2023 was \$103,378 and \$73,102, respectively. Any property and equipment sold or disposed of are removed from the books of the Organization along with the corresponding accumulated depreciation, and any gain or loss is recognized in the year of sale or disposition.

Support and Restrictions

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in 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 on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are classified to net assets without donor restrictions. Donations of cash are reported as restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or 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 restrictions.

Contributed Services

During the years ended June 30, 2024 and 2023 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been shown separately on these financial statements.

**ABLE INDUSTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

1. Summary of Significant Accounting Policies (Continued)

Advertising Costs

It is the policy of the Organization to expense advertising costs as incurred. Advertising costs for the years ended June 30, 2024 and 2023 was \$31,351 and \$68,153, respectively.

Income Taxes

The Organization has received an exemption from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, these statements do not reflect income taxes on earnings.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

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 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.

Functional Expense Allocation

The statements of functional expenses report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: depreciation, insurance, interest, maintenance and repairs, and utilities, which are allocated on a square footage basis; meetings, education and training, office supplies, which are allocated based on full-time equivalents; and salaries and wages and employee benefits and payroll taxes, which are allocated on the basis of time sheets supporting actual time and effort and technology which is based on the number of computers in the department.

Management's Review

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 19, 2024 and the date the financial statements were available to be issued.

**ABLE INDUSTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

2. Property and Equipment

The additions and disposal of property and equipment, along with related accumulated depreciation accounts consisted of the following:

	<u>Balance, 6/30/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, 6/30/24</u>
Land	\$ 307,857	\$ -	\$ -	\$ 307,857
Building and Improvements	4,602,528	17,214	-	4,619,742
Production Equipment	172,071	-	-	172,071
Office Equipment	94,436	-	-	94,436
Vehicles	<u>376,852</u>	<u>-</u>	<u>-</u>	<u>376,852</u>
 Total Assets	 5,553,744	 \$ <u>17,214</u>	 \$ <u>-</u>	 5,570,958
 Accumulated Depreciation	 <u>545,333</u>	 \$ <u>103,378</u>	 \$ <u>-</u>	 <u>648,711</u>
 Net Property and Equipment	 \$ <u>5,008,411</u>			 \$ <u>4,922,247</u>

3. Compensated Absences

Employees of the Organization are entitled to paid vacation and paid sick days depending on job classification, length of service and other factors.

During the first five years of employment, regular full-time employees may accrue vacation hours up to a maximum of one hundred ninety two hours. Employees who have completed five years of service may accrue vacation up to two hundred eighty eight hours. Once an employee accrues the maximum, the accrual will cease until such time as the employee has taken enough vacation time off to reduce his balance below their threshold. Pay in lieu of vacation is not allowed, but accrued vacation will be paid upon termination of employment. A liability for accrued compensated vacation time in the amount of \$106,842 and \$105,042 for the years ending June 30, 2024 and 2023, respectively, is reflected in the financial statements.

**ABLE INDUSTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

3. Compensated Absences (Continued)

Employees of the Organization are also entitled to paid sick days off. Regular full-time employees accrue paid sick leave at the rate of four hours per pay period up to a maximum of two hundred and forty hours. Regular part-time employees are eligible to receive sick leave on a prorated proportion according to the employees regular scheduled work week. A maximum of two hundred forty hours of sick pay may be carried over from year to year, however, pay in lieu of sick days off is not allowed nor will it be paid upon termination of employment.

4. Long-Term Debt

	Principal	
	2024	2023
Race Leasing, a California Limited Partnership, payable in monthly interest only payments with interest rate of 7.5% at June 30, 2024. Lump sum payment of \$2,800,000 due at maturity. Secured by real property. Loan matures on March 7, 2025.	\$ 2,800,000	\$ 2,800,000
Less: Current Portion	2,800,000	2,800,000
Total Long-Term Debt	\$ -	\$ -

Aggregate maturities of long-term debt are as follows:

Year Ended June 30:	
2025	2,800,000
2026	-
2027	-
2028	-
2029	-
Thereafter	-
	2,800,000

5. Subsidized Salaries

The Organization receives salary subsidies, rent and service fees from the local school district in which it operates. Visalia Unified School District pays subsidies to the Organization, which are reported as part of revenue with the corresponding expense included in staff wages and related expenses.

**ABLE INDUSTRIES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2024 AND 2023**

**6. Retirement Plan**

Effective July 1, 1999, the Organization established a 403(b) Retirement Plan. Employees become eligible after one month of service. The Organization matches all salary deferral amounts after one year of service, up to 4% of salary. The amount of matching is determined annually by the Board of Directors. Salary deferral and matching contributions are 100% vested immediately. The amount of pension expense for the years ending June 30, 2024 and 2023 was \$37,299 and \$41,321, respectively.

**7 Lease Income**

On December 5, 2023 the Organization (lessor) entered into a lease agreement with Self-Help Enterprise (lessee) to lease the storage space located at 2505 N. Shirk Rd., Visalia, California. The lease does not transfer ownership of the leased property and does not provide an option for the lessees to purchase the property. The Organization's lease is an operating lease agreement with a month-to-month tenancy commencing on January 24, 2024.

Lease income for the year ending June 30, 2024 totaled \$4,750, which included a security deposit of \$500.

The minimum lease payments to be received as of June 30, 2024 were as follows:

	2025	\$	-
	2026		-
	2027		-
	2028		-
	2029		-
	Thereafter		-
		\$	-
			-

**8. Equipment Rent**

The Organization received a grant from California Department of Transportation (Caltrans) for three buses. The buses were paid directly by Caltrans. The Organization recognized the grant value as grant income and rent expense over a five year period per the useful life standard indicated in the grant agreement. Rent expense for the years ending June 30, 2024 and 2023 was \$35,341 and \$35,342, respectively.



**ABLE INDUSTRIES, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2024 AND 2023**

9. Liquidity and Availability of Financial Assets

The Organization's financial assets available within one year from the statement of financial position date for general operating expenses are as follows:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents	\$ 1,393,520	\$ 1,206,022
Accounts Receivable	<u>616,361</u>	<u>622,378</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,009,881</u>	<u>\$ 1,828,400</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure. The Organization is required to maintain financial assets to meet three months of general operations.

10. Reclassification

Certain reclassifications have been made to the prior period's financial statements in order to conform them to the classifications used for the current year. These reclassifications had no effect on reported change in net assets.

**OTHER INDEPENDENT AUDITORS' REPORT**