

# North Lawndale Employment Network and Subsidiaries

Independent Auditor's Report and Consolidated Financial Statements  
June 30, 2024, and 2023

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**AUDIT REPORT**



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
North Lawndale Employment Network and Subsidiaries

### **Opinion**

We have audited the accompanying financial statements of North Lawndale Employment Network and Subsidiaries (nonprofit organizations, jointly referred to as "the Organization"), which comprise the consolidated statement of financial position as of June 30, 2024, and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of North Lawndale Employment Network and Subsidiaries as of June 30, 2024, and 2023, 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 Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary schedules are presented for purposes of additional analysis and are 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Organization's 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 the Organization's internal control over financial reporting and compliance.

*Lopez & Co. CPAs Ltd*

Chicago, IL

December 16, 2024

**NORTH LAWDALE EMPLOYMENT NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2024 AND 2023**

	<u><b>2024</b></u>	<u><b>2023</b></u>
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 2,742,627	\$ 2,296,261
Accounts Receivable	104,096	14,256
Contracts Receivable	96,556	141,011
Grants Receivable	1,926,930	884,450
ERC Receivable	29,656	1,440,515
Prepaid Expenses	-	45,500
Property and Equipment, Net of Accumulated Depreciation	8,180,701	8,508,862
Closing Costs Net of Accumulated Amortization	324,844	333,847
Notes Receivable	5,597,600	5,597,600
<b>Total Assets</b>	<u><u>19,003,010</u></u>	<u><u>19,262,302</u></u>
<b>LIABILITIES AND NET ASSETS:</b>		
<u>Liabilities</u>		
Accounts Payable	95,823	146,929
Accrued Expenses	49,500	-
Accrued Payroll	12,745	27,491
Accrued Interest	42,415	42,415
Deferred Revenue	-	124,113
Finance Lease Payable	31,105	42,672
Loans Payable	<u>10,715,000</u>	<u>10,740,000</u>
Total Liabilities	<u><u>10,946,588</u></u>	<u><u>11,123,620</u></u>
<u>Net Assets</u>		
Without Donor Restrictions	4,010,482	4,372,292
With Donor Restrictions	<u>4,045,940</u>	<u>3,766,390</u>
Total Net Assets	<u><u>8,056,422</u></u>	<u><u>8,138,682</u></u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 19,003,010</u></u>	<u><u>\$ 19,262,302</u></u>

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

**NORTH LAWDALE EMPLOYMENT NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2024**

	<u>Without</u> <u>Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT:</b>			
Grants and Contributions	\$ 1,809,884	\$ 4,416,709	\$ 6,226,593
Government and Corporate Contracts	525,732	502,986	1,028,718
Special Events	507,075	19,192	526,267
Membership Dues	5,000	-	5,000
In-Kind Contributions	<u>359,475</u>	<u>-</u>	<u>359,475</u>
 Total Public Support	 <u>3,207,166</u>	 <u>4,938,887</u>	 <u>8,146,053</u>
<b>REVENUE:</b>			
Gain (Loss) on Disposal of Assets	-	-	-
Net Sales - Sweet Beginnings, LLC	201,464	-	201,464
Net Sales - beelove café	165,795	-	165,795
Investment Income	244,390	-	244,390
Other Income	94,431	-	94,431
Rental Income	125,520	-	125,520
Net Assets Released from Restrictions	<u>4,659,337</u>	<u>(4,659,337)</u>	<u>-</u>
 Total Revenue	 <u>5,490,937</u>	 <u>(4,659,337)</u>	 <u>831,600</u>
 <b>Total Public Support and Revenue</b>	 <u><b>8,698,103</b></u>	 <u><b>279,550</b></u>	 <u><b>8,977,653</b></u>
<b>EXPENSES:</b>			
Program Services - NLEN	4,697,585	-	4,697,585
Program Services - Sweet Beginnings, LLC	595,441	-	595,441
Program Services - beelove café	406,054	-	406,054
Program Services - Support Corporation	472,968	-	472,968
Management and General	1,336,830	-	1,336,830
Fundraising	<u>1,551,035</u>	<u>-</u>	<u>1,551,035</u>
 <b>Total Expenses</b>	 <u><b>9,059,913</b></u>	 <u><b>-</b></u>	 <u><b>9,059,913</b></u>
 <b>CHANGE IN NET ASSETS:</b>	 <b>(361,810)</b>	 <b>279,550</b>	 <b>(82,260)</b>
<b>TOTAL NET ASSETS:</b>			
Net Assets, Beginning of Year	<u>4,372,292</u>	<u>3,766,390</u>	<u>8,138,682</u>
Net Assets, End of Year	<u><u>\$ 4,010,482</u></u>	<u><u>\$ 4,045,940</u></u>	<u><u>\$ 8,056,422</u></u>

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

**NORTH LAWDALE EMPLOYMENT NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2023**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>PUBLIC SUPPORT:</b>			
Grants and Contributions	\$ 2,613,438	\$ 1,947,170	\$ 4,560,608
Government and Corporate Contracts	549,206	2,917,478	3,466,684
Special Events	473,004	-	473,004
Membership Dues	7,500	-	7,500
In-Kind Contributions	231,086	-	231,086
	<u>3,874,234</u>	<u>4,864,648</u>	<u>8,738,882</u>
<b>Total Public Support</b>			
<b>REVENUE:</b>			
Gain (Loss) on Disposal of Assets	144,817	-	144,817
Net Sales - Sweet Beginnings, LLC	158,683	-	158,683
Net Sales - beelove café	161,601	-	161,601
Investment Income	64,130	-	64,130
Other Income	165,465	-	165,465
Rental Income	80,185	-	80,185
Net Assets Released from Restrictions	2,337,006	(2,337,006)	-
	<u>3,111,887</u>	<u>(2,337,006)</u>	<u>774,881</u>
<b>Total Revenue</b>			
<b>Total Public Support and Revenue</b>			
	<u>6,986,121</u>	<u>2,527,642</u>	<u>9,513,763</u>
<b>EXPENSES:</b>			
Program Services - NLEN	4,060,989	-	4,060,989
Program Services - Sweet Beginnings, LLC	488,241	-	488,241
Program Services - beelove café	454,767	-	454,767
Program Services - Support Corporation	392,028	-	392,028
Management and General	1,168,061	-	1,168,061
Fundraising	1,411,201	-	1,411,201
	<u>7,975,287</u>	<u>-</u>	<u>7,975,287</u>
<b>Total Expenses</b>			
<b>CHANGE IN NET ASSETS:</b>			
	(989,166)	2,527,642	1,538,476
<b>TOTAL NET ASSETS:</b>			
Net Assets, Beginning of Year	<u>5,361,458</u>	<u>1,238,748</u>	<u>6,600,206</u>
Net Assets, End of Year	<u>\$ 4,372,292</u>	<u>\$ 3,766,390</u>	<u>\$ 8,138,682</u>

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

**NORTH LAWDALE EMPLOYMENT NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

	<b><u>2024</u></b>	<b><u>2023</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ (82,260)	\$1,538,476
Adjustments to Reconcile Change in Net Assets to Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	401,947	399,758
(Increase) Decrease in Accounts Receivable	(89,840)	42,584
(Increase) Decrease in Contract Receivable	44,455	(74,321)
(Increase) Decrease in Grants Receivable	(1,042,480)	(53,028)
(Increase) Decrease in ERC Receivable	1,410,859	-
(Increase) Decrease in Capital Campaign Pledges Receivable	-	235,000
(Increase) Decrease in Inventory	-	-
(Increase) Decrease in Prepaid Expenses	45,500	(45,500)
(Increase) Decrease in Construction in Progress	-	-
Increase (Decrease) in Accounts Payable	(51,106)	81,303
Increase (Decrease) in Accrued Expenses	49,500	(76,000)
Increase (Decrease) in Accrued Payroll	(14,746)	(6,208)
Increase (Decrease) in Accrued Interest	-	(21,437)
Increase (Decrease) in Deferred Revenue	<u>(124,113)</u>	<u>(190,801)</u>
Net Cash Provided (Used) by Operating Activities	<u>556,719</u>	<u>1,847,080</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment in Property and Equipment	<u>(73,786)</u>	<u>(88,319)</u>
Net Cash Provided (Used) by Investing Activities	<u>(73,786)</u>	<u>(88,319)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Financing of Copier Lease	(11,567)	42,672
Paydown of Loan Payable	<u>(25,000)</u>	<u>(2,500,000)</u>
Net Cash Provided (Used) by Financing Activities	<u>(36,567)</u>	<u>(2,457,328)</u>
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	 446,366	 (698,567)
 CASH AND CASH EQUIVALENTS - Beginning of Year	 <u>2,296,261</u>	 <u>2,994,828</u>
 CASH AND CASH EQUIVALENTS - End of Year	 <u>\$2,742,627</u>	 <u>\$2,296,261</u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest	<u>\$ 263,879</u>	<u>\$ 266,558</u>

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



**NORTH LAWDALE EMPLOYMENT NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>				<b>Total Programs</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
	<b>North Lawndale Employment Network</b>	<b>Sweet Beginnings, LLC</b>	<b>NLEN Support Corporation</b>	<b>beelove Café</b>				
Salaries and Fringe Benefits	\$ 2,308,480	\$ 362,518	\$ -	\$ 45,264	\$ 2,716,262	\$ 600,466	\$ 547,444	\$ 3,864,172
Professional Fees	746,851	21,046	22,148	15,666	805,711	559,528	479,119	1,844,358
Member and Community Reinvestment Costs	551,838	-	-	-	551,838	-	-	551,838
Occupancy	308,238	17,274	-	16,485	341,997	60,493	46,153	448,643
Cost of Goods Sold	-	114,580	-	308,900	423,480	-	-	423,480
Depreciation and Amortization	2,852	14,952	365,808	3,714	387,326	14,621	-	401,947
Payroll Taxes	199,239	32,283	-	-	231,522	50,357	36,539	318,418
Interest	179,050	-	84,829	-	263,879	-	-	263,879
Office Expense	155,299	17,700	183	13,144	186,326	4,074	52,886	243,286
Special Events Expense	10,927	777	-	-	11,704	639	147,860	160,203
Printing, Publications, and Marketing	14,771	2,504	-	845	18,120	1,221	137,955	157,296
Telecommunications	86,813	1,321	-	1,251	89,385	13,463	9,808	112,656
Office Equipment Rental and Purchase	49,710	-	-	-	49,710	8,743	41,028	99,481
Insurance	54,141	10,380	-	785	65,306	1,930	7,934	75,170
Meeting Expense	22,799	88	-	-	22,887	7,259	23,091	53,237
Conference and Workshops	5,852	-	-	-	5,852	12,338	20,230	38,420
Postage and Delivery	725	18	-	-	743	1,698	988	3,429
<b>Total Expenses</b>	<b>\$ 4,697,585</b>	<b>\$ 595,441</b>	<b>\$ 472,968</b>	<b>\$ 406,054</b>	<b>\$ 6,172,048</b>	<b>\$ 1,336,830</b>	<b>\$ 1,551,035</b>	<b>\$ 9,059,913</b>

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

**NORTH LAWDALE EMPLOYMENT NETWORK AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2023**

	<u>Program Services</u>							
	North Lawndale Employment Network	Sweet Beginnings, LLC	NLEN Support Corporation	beelove Café	Total Programs	Management and General	Fundraising	Total
Salaries and Fringe Benefits	\$ 2,258,117	\$ 284,915	\$ 64,698	\$ -	\$ 2,607,730	\$ 488,905	\$ 483,016	\$ 3,579,651
Professional Fees	675,565	14,398	20,505	2,888	713,356	432,039	310,089	1,455,484
Depreciation and Amortization	-	8,220	2,569	365,808	376,597	17,694	5,467	399,758
Cost of Goods Sold	-	117,447	266,469	-	383,916	-	-	383,916
Occupancy	149,820	3,996	7,245	-	161,061	49,769	117,480	328,310
Payroll Taxes	193,887	29,355	3,878	-	227,120	51,901	34,670	313,691
Member and Community Reinvestment Costs	288,191	1,100	1,244	-	290,535	-	201	290,736
Interest	-	10,005	-	84,829	94,834	6,130	165,594	266,558
Office Expense	164,845	14,084	12,759	1,242	192,930	17,198	10,816	220,944
Special Events Expense	21,416	417	-	-	21,833	1,550	161,442	184,825
Office Equipment Rental and Purchase	89,248	-	-	-	89,248	16,017	41,034	146,299
Meeting Expense	69,211	815	570	-	70,596	23,640	24,187	118,423
Telephone	84,226	-	567	-	84,793	21,307	8,179	114,279
Insurance	46,092	-	3,508	-	49,600	6,742	9,225	65,567
Printing, Publications, and Marketing	13,824	3,489	8,016	-	25,329	2,805	21,947	50,081
Conference and Workshops	5,835	-	-	-	5,835	30,535	13,033	49,403
Charitable Contributions	-	-	-	-	-	-	4,550	4,550
Postage and Delivery	712	-	-	-	712	1,829	271	2,812
<b>Total Expenses</b>	<b>\$ 4,060,989</b>	<b>\$ 488,241</b>	<b>\$ 392,028</b>	<b>\$ 454,767</b>	<b>\$ 5,396,025</b>	<b>\$ 1,168,061</b>	<b>\$ 1,411,201</b>	<b>\$ 7,975,287</b>

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

**NORTH LAWDALE EMPLOYMENT NETWORK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

**(1) History and Nature of Organization**

North Lawndale Employment Network (“NLEN”) is an Illinois not-for-profit incorporated in June 1999. NLEN partners with other community-based organizations, economic development agencies, and businesses to work together to meet the workforce development needs of North Lawndale residents and employers.

During fiscal year 2007, NLEN spun off its Sweet Beginnings program as a separate entity organized as Sweet Beginnings, LLC (“SB”). SB is wholly-owned by NLEN and offers full time transitional jobs for formerly incarcerated individuals and others with significant barriers to employment in a green industry – the production and sales of all-natural skin care products featuring its own urban honey. SB is considered a disregarded entity for tax purposes, and its purpose is directly related to the tax-exempt purpose of NLEN, thus creating no unrelated business income for NLEN and no taxable income for itself.

During fiscal year 2021, NLEN embarked up on its most ambitious project to date by acquiring the property located at 1111 S. Homan which includes opening the beelove café, a community coffee shop, which utilizes SB products and furthers the mission of NLEN by providing jobs to local residents as baristas. The building and the café opened in fiscal year 2022.

**(2) Summary of Significant Accounting Policies**

Consolidated Financial Statements

The consolidated financial statements include assets, liabilities, revenues, and expenses of North Lawndale Employment, NLEN Support Corporation and Sweet Beginnings, LLC (collectively referred to as “the Organization”). In 2015, NLEN and SB boards were consolidated into one single board overseeing both entities and operations. As result, the financials have been prepared using the consolidation method. All material inter-company balances and transactions have been eliminated.

Basis of Presentation and Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles, generally accepted in the United States of America. The financial statements presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities (Topic 958)*. The Organization is required to report information regarding its financial position according to two classes of net assets:

Net Assets with Donor Restrictions: Net assets subject to donor-imposed conditions that may or will be met by overcoming necessary barriers or restrictions of time. The Organization held \$4,045,940 and \$3,766,390 donor restricted net assets as of June 30, 2024, and 2023, respectively.

Net Assets without Donor Restrictions: Net assets available for use in general operations and not subject to donor-imposed restrictions.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

**NORTH LAWNDALE EMPLOYMENT NETWORK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

Expirations of restrictions on net assets are reported as reclassifications between applicable classes of assets.

Contributions

The Organization accounts for contributions in accordance with FASB ASC 958-605, “Not-for-Profit Entities, Revenue Recognition” and “Accounting for Contributions Received and Contributions Made”. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions from unconditional promises to give that are to be received after one year are discounted at an appropriate discount rate based on an average Federal Funds rate.

Gifts of cash and other assets received without donor stipulations are reported as revenue and net assets without donor restrictions. Gifts received with a donor stipulation that limits their use are reported as revenue and net assets with donor restrictions. When a donor- 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 statements of operations as net assets released from restrictions. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as revenue and net assets without donor restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Gifts of land, buildings, equipment, and other long-lived assets are reported as revenue and net assets without donor restrictions unless explicit donor stipulations specify how such assets must be used, in which case the gifts are reported as revenue and net assets with donor restrictions. Monetary gifts that must be used to acquire property and equipment are reported as restricted support. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Grant Revenue

The Organization has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a review or audit by the grantor may become a liability of the Organization. Such amounts will be recognized in the period they become known.

Cash and Cash Equivalents

The Organization considers cash on deposit at bank(s) and highly liquid investments with maturities of three months or less at the date of purchase to be cash and cash equivalents.

Prepaid Expenses

Expenses incurred in the subsequent period but paid for in the current period are properly classified as prepaid expenses.

**NORTH LAWDALE EMPLOYMENT NETWORK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

Deferred Revenue

Deferred revenue includes the portion of grant revenues that have not been earned or conditions not met as of the report date.

Liquidity and Availability off Financial Assets

The Organization has \$4,899,865 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$2,742,627, contracts receivable of \$96,556, and grants receivable of \$1,956,586. \$4,045,940 of the Organization's net assets are subject to donor restrictions. In the event of unanticipated liquidity need, the Organization will seek external financing sources.

Fixed Assets and Depreciation Expense

Property and equipment are recorded at historical cost. The Organization capitalizes fixed asset additions over \$2,500. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building	39 years
Building Improvements	15 years
Infrastructure	15 years
Signage	10 years
Vehicles	7 years
Furniture and Equipment	5 years
Leasehold Improvements	5 years
Capitalized Software	3 years
Computer Equipment	3 years

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. NLEN depreciation amounted to \$14,621 and \$17,694 at June 30, 2024, and 2023, respectively. SB depreciation amounted to \$14,952. Support Corp depreciation amounted to \$359,657 and \$359,657 at June 30, 2024, and June 30, 2023, respectively.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated to specific program services based on direct benefit obtained. All remaining costs are considered general support to all programs and the Organization in general and are allocated based on estimates of time and effort.

Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NORTH LAWDALE EMPLOYMENT NETWORK**  
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Income Taxes

NLEN is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income. It qualifies for charitable contribution deductions under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). NLEN is no longer subject to U.S. federal, state and local income tax examination by tax authorities for all years since fiscal year 2021.

SB is a limited liability company which operates under a section of the federal and state income tax laws which provide that, in lieu of company-level income taxes, the members separately account for their pro rata shares of SB's income, deductions, losses, and credits. SB is, however, subject to certain state and local taxes.

No provision has been made for amounts which may be advanced or paid as distributions to the members for income taxes. There were no distributions to members for taxes in 2024 and 2023.

NLEN Support Corporation is organized and operated at all times exclusively for the benefit of, to perform the functions of, and/or to carry out the purposes of North Lawndale Employment Network ("NLEN"), an Illinois not-for-profit corporation that is an organization described in Section 501(c)(3) and Section 509(a)(1) of the Internal Revenue Code of 1986, as amended, including but not limited to: (1) isolating certain real estate activities and liabilities from NLEN's overall charitable activities and assets, (2) separating certain financing and fundraising considerations from NLEN's general operations, and (3) allowing for more financial and fundraising talent to participate in NLEN fundraising efforts.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update No. 2016-02, *Leases* (Topic 842). This new standard increases transparency and comparability about leases among entities by requiring the recognition of right-of-use (ROA) assets and liabilities on the statement of financial position. The Organization adopted the requirements of ASU No. 2016-02 effective July 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption. The guidance did not have a material impact on the Organization's accompanying consolidated financial statements.

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, *Financial Instruments- Credit Losses* (Topic 326). This guidance replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. In November 2019, the FASB issued ASU 2019-10, *Financial Instruments-Credit Loss* (Topic 326), *Derivatives and Hedging* (Topic 815) and *Leases* (Topic 842), which deferred the effective date for the Organization until fiscal years beginning after December 15, 2022. The Organization adopted this guidance effective July 1, 2023, on a modified retrospective transition basis. The guidance did not have a material impact on the Organization's accompanying consolidated financial statements.

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance required nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increased

**NORTH LAWNDALE EMPLOYMENT NETWORK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types on contributed nonfinancial assets a nonprofit entity has received. The standard did not have a material on the Organization's accompanying consolidated financial statements.

**(3) Receivables**

The Organization carries its contract, grant, capital campaign pledge receivables, and other receivables at the outstanding balance adjusted for the allowance for doubtful accounts. The allowance for the doubtful accounts is estimated based on the Organization's historical bad debt experience, the aging of receivables, and management's judgment. Accounts deemed uncollectible and charged to the allowance for doubtful accounts. As of June 30, 2024, and 2023, all amounts were deemed fully collectible within the next twelve months and as such, no allowance for doubtful accounts was recorded.

Receivables as of June 30, 2024, and 2023, are summarized as follows:

	<u>2024</u>	<u>2023</u>
Grants Receivable	\$ 1,956,586	\$ 2,324,965
Accounts Receivable	104,096	14,256
Contracts Receivable	<u>96,556</u>	<u>141,011</u>
Total Contracts Receivable	<u>\$ 2,157,238</u>	<u>\$ 2,480,232</u>

**(4) Long Term Debt**

In 2021, NLEN entered into a loan in the amount of \$4,900,000 with IFF, an Illinois not-for-profit corporation, for the primary purpose of purchasing a building to expand its operations in conjunction with the Capital Campaign launched by NLEN in 2019. The loan maturity was extended to January 1, 2027 on December 30, 2023. The loan bears interest at 7.25% and has an outstanding balance of \$2,875,000 as of June 30, 2024. The loan is collateralized by the purchased building.

Years ending June 30:		
2025	\$	-
2026		-
2027		-
2028		-
2029		125,788
Thereafter		<u>7,714,212</u>
	<u>\$</u>	<u>7,840,000</u>

**NORTH LAWDALE EMPLOYMENT NETWORK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

**(5) Lease Commitments**

The Organization leases certain property and equipment under a non-cancelable finance lease expiring May 31, 2026. The assets and liabilities for this lease are recorded at the present value of the future minimum lease payments. The interest rate implicit in the lease is estimated to be 25.5% at inception. The components of the lease expense for the year ended June 30, 2024 were as follows:

	<u>2024</u>
Amortization of Asset	\$ 11,688
Interest on Lease Liabilities	9,167
<b>Total Expenses</b>	<b>\$ 20,855</b>

Maturities of finance lease liabilities as of June 30, 2024, were as follows:

Year ending June 30,	
2025	\$ 14,575
2026	16,530
<b>Total</b>	<b>\$ 31,105</b>

NLEN has operating leases for office space and warehouse storage space. In addition to base rent, NLEN is responsible for certain operating expenses. The various leases expire at varying dates through August 2024 with monthly rental payments ranging from \$2,650 to \$6,971. Rental expenses were \$169,898, and \$149,374, for the years ended June 30, 2024, and 2023, respectively.

**(6) Retirement Plan**

Prior to November 2018, NLEN sponsored a voluntary contribution retirement plan under Section 403(b) of the Internal Revenue Code (IRC). Substantially all employees were eligible to participate in the plan except for employees working less than twenty hours per week and student employees. Voluntary reductions were made from the salaries of participating employees and remitted to the financial institution of their choice. During November 2018, NLEN terminated the 403(b) Plan and implemented a new NLEN sponsored voluntary contribution retirement plan under section 401(k) of the IRC. The 401(k) Plan carries the same eligibility requirements as the previous 403(b) Plan. NLEN offers an employer dollar-for-dollar match not to exceed \$500 under the 401(k) Plan. Total expenses recorded for NLEN’s match was \$5,492, and \$6,000 respectably for the year ended June 30, 2024, and 2023.

**(7) Certain Vulnerabilities and Concentrations**

The Organization maintained certain bank accounts insured by the Federal Deposit Insurance Corporation up to an aggregate amount of \$250,000 for each depositor in each depository institution. At June 30, 2024, one depository institution held \$1,867,595 on deposit, which exceeded the aggregate limit by \$1,617,595, leaving that amount at risk. Another depository institution held \$632,869 on deposit, which exceeded the aggregate limit by \$382,869, leaving that amount at risk. All other bank accounts had deposits less to or equal to \$250,000 on deposit, which exceeded the aggregate limit by \$0, leaving no amount at risk.



**NORTH LAWDALE EMPLOYMENT NETWORK**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2024 AND 2023**

**(8) Fair Value of Financial Instruments**

Financial Accounting Standards Board (FASB) Accounting Standards Code (ASC) 820-10 "Fair Value Measurements and Disclosures" requires disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash, accounts receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

**(9) Property and Equipment**

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

	<u>2024</u>	<u>2023</u>
Building	\$ 7,879,816	\$ 7,879,816
Infrastructure	403,370	403,370
Leasehold Improvement	157,362	157,362
Capitalized Software	52,765	52,765
Computer Equipment	109,677	109,677
Vehicles	114,023	56,318
Furniture and Equipment	693,615	686,537
Signage	180,853	180,853
Closing Costs	<u>351,101</u>	<u>351,101</u>
 Total Cost	 9,942,582	 9,877,799
 Accumulated Amortization	 (26,257)	 (17,254)
Accumulated Depreciation	<u>(1,410,780)</u>	<u>(1,017,836)</u>
	 <u>\$ 8,505,545</u>	 <u>\$ 8,842,709</u>

**(10) Net Assets with Donor Restrictions**

Net assets with donor restrictions at June 30, 2024, and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Purpose Restricted for Program Services	\$ 3,826,623	\$ 2,993,957
Time and Purpose Restricted for the Capital Campaign	1,824,610	772,433
	<u>\$ 5,651,234</u>	<u>\$ 3,766,390</u>

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

**NORTH LAWDALE EMPLOYMENT NETWORK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>	
Program Services	\$ 4,659,337	\$ 2,337,006	

**(11) Donations In-Kind and Contributed Services**

The Organization receives various forms of in-kind contributions including professional services and equipment from various donors.

Professional Services

The Organization received donated professional services that would typically be purchased if not provided as an in-kind contribution. These services, which require specialized skills, are recognized as in-kind contributions at fair value in the period the pledge is made and are expensed when the services are rendered. The estimated fair value of these professional services is provided by the service provider, who estimates the fair value based on the date, time, and market in which these services are rendered. The professional services were fully rendered at \$334,975, and \$194,353 for the year ended June 30, 2024, and 2023.

Equipment

The Organization received donated office equipment reported as contributions at their estimated fair value on the date of receipt. In-kind contributions are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considered their condition and utility for use at the time the goods are contributed by the donor. The donated office equipment was valued at \$24,500, and \$36,733, for the year ended June 30, 2024, and 2023.

Donations in-kind and contributed services at June 30, 2024, and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>	<u>Valuation</u>
Professional Services - Accounting	\$ 154,784	\$ 121,192	Fair Value
Professional Services - Legal	90,191	59,571	Fair Value
Professional Services - Advertising	90,000	13,590	Fair Value
<u>Equipment</u>	<u>24,500</u>	<u>36,733</u>	Fair Value
	\$ 359,475	\$ 231,086	

**12) New Markets Tax Credits Transaction**

Background

New Markets Tax Credits are tax credits created by the federal government in 2000 and renewed each year thereafter to help encourage sustained investment in low-income communities. The purpose is to provide investors with a financial incentive (a tax credit) to invest in projects being built in low-income communities. Investors receive a 39% federal tax credit earned over a seven-year period (the compliance period). The NMTC transaction provided a mechanism for NLEN to receive funding towards the construction of a new building.

**NORTH LAWNDALE EMPLOYMENT NETWORK  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2024 AND 2023**

NLEN NMTC Structure and Partners

NLEN entered into a NMTC transaction with Chase Community Equity (“CCE”), part of JPMorgan Chase Bank, the “investor” of the tax credits, and Chicago Development Fund (“CDF”), an entity making community investment loans to NLEN. NLEN is the “Leverage Lender” in the NMTC transaction.

NMTC Note Receivable

NLEN made an initial investment in NLEN Support Corp with cash generated by NLEN’s capital campaign proceeds in the amount of \$1,737,000. NLEN borrowed \$4,300,000 from IFF using the Capital Campaign pledges as collateral. With these loan funds and a bridge loan from Chase in the amount of \$4,079,533. NLEN then made a \$5,597,600 loan, to Chase NMTC NLEN Investment Fund. This fund was used to lend funds to NLEN Support Corp through CDF Suballocate XXXIX.

Building Fund

Chase Community Equity made a net investment of \$2,402,400 into the Chase NMTC NLEN Investment Fund by purchasing the seven-year tax credits made available through the CDF for NLEN Support Corp’s new building project. The combined investment amounts of both NLEN and Chase Community Equity, which total \$8,000,000, fund the notes from the CDF Suballocate XXXIX to NLEN Support Corp. NLEN Support Corp incurred \$339,771 in structuring fees associated with structuring the NMTC.

New Markets Tax Credits - Notes Payable

As a component of the NMTC transaction, NLEN Support Corp received two loans from the CDF Suballocate XXXIX totaling \$7,840,000 (Note A - \$5,597,600 and Note B - \$2,242,400) on December 30, 2020. NLEN Support Corp is obligated to make annual interest payments, at an interest rate of 1.082%, during the seven-year NMTC compliance period which is expected to end December 30, 2029.

Option Agreement

Simultaneous with the above transactions, NLEN Support Corp entered into a Put and Call Option Agreement with Chase Community Equity (the sole investor in the fund) to put the ownership interest in the Fund for \$1,000 commencing on December 31, 2029: the first day after the seven-year tax credit investment compliance period. Exercising of the Option will effectively extinguish NLEN Support Corp’s outstanding debt owed to the CDF Suballocate XXXIX. All entities related to the structure (including the CDF Suballocate XXXIX Investment Fund) will then be effectively dissolved, thus ending the structured financing deal. Should the structure not dissolve, NLEN Support Corp will make principal and interest payments until the loans mature on December 30, 2056. The probability of the loans extending past the seven-year compliance period is very low provided that NLEN Support Corp utilizes the new building in accordance with the original intent in the NMTC allocation as a qualified low- income community business.

**(13) Subsequent Events**

The Organization has evaluated subsequent events through December 16, 2024, the date the financial statements were available to be issued.

**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 *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees of  
North Lawndale Employment Network and Subsidiaries

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of North Lawndale Employment Network and Subsidiaries (nonprofit organizations, jointly referred to as "the Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 16, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lopez & Co. CPAs Ltd

Chicago, IL

December 16, 2024

**SUPPLEMENTARY INFORMATION**

**NORTH LAWDALE EMPLOYMENT NETWORK  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2024**

	<u>North Lawndale Employment Network</u>	<u>Sweet Beginnings, LLC</u>	<u>NLEN Support Corp</u>	<u>beelove café</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 2,558,509	\$ 886	\$ 172,821	\$ 10,411	\$ -	\$ 2,742,627
Accounts Receivable	57,042	41,315	-	5,738	-	104,095
Contracts Receivable	96,556	-	-	-	-	96,556
Grants Receivable	1,926,930	-	-	-	-	1,926,930
ERC Receivable	-	29,657	-	-	-	29,657
Prepaid Expenses	-	-	-	-	-	-
Investment in beelove café	643,940	-	-	-	(643,940)	-
Investment in NLEN Support Corp	68,886	-	-	-	(68,886)	-
Investment in Sweet Beginnings	630,767	-	-	-	(630,767)	-
Property and Equipment, Net of Accumulated Depreciation	28,529	74,263	8,061,492	16,418	-	8,180,702
Closing Costs, Net of Accumulated Amortization	102,923	-	221,920	-	-	324,843
Notes Receivable	5,597,600	-	-	-	-	5,597,600
<b>Total Assets</b>	<u>11,711,682</u>	<u>146,121</u>	<u>8,456,233</u>	<u>32,567</u>	<u>(1,343,593)</u>	<u>19,003,010</u>
<b>LIABILITIES AND NET ASSETS:</b>						
<u>Liabilities</u>						
Accounts Payable	90,906	973	-	3,945	-	95,824
Accrued Expenses	49,500	-	-	-	-	49,500
Accrued Payroll	12,662	-	-	82	-	12,744
Accrued Interest	-	-	42,415	-	-	42,415
Deferred Revenue	-	-	-	-	-	-
Finance Lease Payable	31,105	-	-	-	-	31,105
Loans Payable	2,875,000	-	7,840,000	-	-	10,715,000
Total Liabilities	<u>3,059,173</u>	<u>973</u>	<u>7,882,415</u>	<u>4,027</u>	<u>-</u>	<u>10,946,588</u>
<u>Net Assets</u>						
Without Donor Restrictions	4,606,569	(1,508,967)	504,932	(615,400)	1,023,348	4,010,482
With Donor Restrictions	4,045,940	-	-	-	-	4,045,940
NLEN Member Investments	-	1,654,115	68,886	643,940	(2,366,941)	0
Total Net Assets	<u>8,652,509</u>	<u>145,148</u>	<u>573,818</u>	<u>28,540</u>	<u>(1,343,593)</u>	<u>8,056,422</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 11,711,682</u>	<u>\$ 146,121</u>	<u>\$ 8,456,233</u>	<u>\$ 32,567</u>	<u>\$ (1,343,593)</u>	<u>\$ 19,003,010</u>

**NORTH LAWDALE EMPLOYMENT NETWORK  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2023**

	<u>North Lawndale Employment Network</u>	<u>Sweet Beginnings. LLC</u>	<u>NLEN Support Corp</u>	<u>beelove café</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 2,083,325	\$ 6,913	\$ 179,752	\$ 26,271	\$ -	\$ 2,296,261
Accounts Receivable	-	13,828	-	428	-	14,256
Contracts Receivable	141,011	-	-	-	-	141,011
Grants Receivable	884,450	-	-	-	-	884,450
ERC Receivable	1,410,858	29,657	-	-	-	1,440,515
Prepaid Expenses	45,500	-	-	-	-	45,500
Investment in beelove café	417,849	-	-	-	(417,849)	-
Investment in NLEN Support Corp	46,869	-	-	-	(46,869)	-
Investment in Sweet Beginnings	247,170	-	-	-	(247,170)	-
Property and Equipment, Net of Accumulated Depreciation	43,150	31,509	8,421,152	13,051	-	8,508,862
Closing Costs, Net of Accumulated Amortization	105,777	-	228,070	-	-	333,847
Notes Receivable	5,597,600	-	-	-	-	5,597,600
<b>Total Assets</b>	<u>11,023,559</u>	<u>81,907</u>	<u>8,828,974</u>	<u>39,750</u>	<u>(711,888)</u>	<u>19,262,302</u>
<b>LIABILITIES AND NET ASSETS:</b>						
<u>Liabilities</u>						
Accounts Payable	135,070	10,435	-	1,424	-	146,929
Accrued Payroll	25,618	1,056	-	817	-	27,491
Accrued Interest	-	-	42,415	-	-	42,415
Deferred Revenue	124,113	-	-	-	-	124,113
Finance Lease Payable	42,672	-	-	-	-	42,672
Current Portion of Loans Payable	2,900,000	-	-	-	-	2,900,000
Long Term Portion of Loans Payable	-	-	7,840,000	-	-	7,840,000
<b>Total Liabilities</b>	<u>3,227,473</u>	<u>11,491</u>	<u>7,882,415</u>	<u>2,241</u>	<u>-</u>	<u>11,123,620</u>
<u>Net Assets</u>						
Without Donor Restrictions	3,423,794	(1,201,396)	899,690	(380,340)	1,024,642	3,766,390
With Donor Restrictions	4,372,292	-	-	-	-	4,372,292
NLEN Member Investments	-	1,271,812	46,869	417,849	(1,736,530)	-
<b>Total Net Assets</b>	<u>7,796,086</u>	<u>70,416</u>	<u>946,559</u>	<u>37,509</u>	<u>(711,888)</u>	<u>8,138,682</u>
<b>Total Liabilities and Net Assets</b>	<u>\$11,023,559</u>	<u>\$ 81,907</u>	<u>\$8,828,974</u>	<u>\$ 39,750</u>	<u>\$ (711,888)</u>	<u>\$19,262,302</u>



**NORTH LAWDALE EMPLOYMENT NETWORK**  
**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**AS OF JUNE 30, 2024**

	<u>North Lawndale Employment Network</u>	<u>Sweet Beginnings, LLC</u>	<u>NLEN Support Corp</u>	<u>beelove café</u>	<u>Eliminations</u>	<u>Total</u>
<b>PUBLIC SUPPORT:</b>						
Grants and Contributions	\$ 6,226,563	\$ 30	\$ -	\$ -	\$ -	\$ 6,226,593
Government and Corporate Contracts	1,028,718	-	-	-	-	1,028,718
Special Events	526,267	-	-	-	-	526,267
Membership Dues	5,000	-	-	-	-	5,000
In-Kind Contributions	359,475	-	-	-	-	359,475
<b>Total Public Support</b>	<u>8,146,023</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,146,053</u>
<b>REVENUE:</b>						
Gain (Loss) on Disposal of Assets	-	-	-	-	-	-
Net Sales - Sweet Beginnings, LLC	-	201,464	-	-	-	201,464
Net Sales - beelove café	-	-	-	165,795	-	165,795
Investment Income	243,179	-	1,210	-	-	244,389
Other Income	4,154	85,081	-	5,197	-	94,432
Rental Income	125,520	-	77,000	-	(77,000)	125,520
<b>Total Revenue</b>	<u>372,853</u>	<u>286,545</u>	<u>78,210</u>	<u>170,992</u>	<u>(77,000)</u>	<u>831,600</u>
<b>Total Public Support and Revenue</b>	<u>8,518,876</u>	<u>286,575</u>	<u>78,210</u>	<u>170,992</u>	<u>(77,000)</u>	<u>8,977,653</u>
<b>EXPENSES:</b>						
Program Services	4,774,585	595,441	472,968	406,054	(77,000)	6,172,048
Management and General	1,336,830	-	-	-	-	1,336,830
Fundraising	1,551,035	-	-	-	-	1,551,035
<b>Total Expenses</b>	<u>7,662,450</u>	<u>595,441</u>	<u>472,968</u>	<u>406,054</u>	<u>(77,000)</u>	<u>9,059,913</u>
<b>CHANGE IN NET ASSETS:</b>	856,426	(308,866)	(394,758)	(235,062)	-	(82,260)
<b>TOTAL NET ASSETS:</b>						
Net Assets, Beginning of Year	7,796,083	(1,200,101)	899,690	(380,338)	1,023,348	8,138,682
NLEN Member Investments	-	1,654,115	68,886	643,940	(2,366,941)	0
Net Assets, End of Year	<u>\$ 8,652,509</u>	<u>\$ 145,148</u>	<u>\$ 573,818</u>	<u>\$ 28,540</u>	<u>\$ (1,343,593)</u>	<u>\$ 8,056,422</u>

**NORTH LAWDALE EMPLOYMENT NETWORK**  
**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**YEAR ENDED JUNE 30, 2023**

	<u>North Lawndale</u> <u>Employment</u> <u>Network</u>	<u>Sweet</u> <u>Beginnings</u> <u>LLC</u>	<u>NLEN Support</u> <u>Corp</u>	<u>beelove</u> <u>café</u>	<u>Eliminations</u>	<u>Total</u>
<b>PUBLIC SUPPORT:</b>						
Grants and Contributions	\$ 4,310,363	\$ 250,245	\$ -	\$ -	\$ -	\$ 4,560,608
Government and Corporate Contracts	3,466,684	-	-	-	-	3,466,684
Special Events	473,004	-	-	-	-	473,004
Membership Dues	7,500	-	-	-	-	7,500
In-Kind Contributions	231,086	-	-	-	-	231,086
<b>Total Public Support</b>	<u>8,488,637</u>	<u>250,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,738,882</u>
<b>REVENUE:</b>						
Gain (Loss) on Disposal of Assets	144,817	-	-	-	-	144,817
Net Sales - beelove café	-	-	-	161,601	-	161,601
Net Sales - Sweet Beginnings, LLC	-	158,683	-	-	-	158,683
Investment Income	63,613	-	517	-	-	64,130
Other Income	-	165,465	-	-	-	165,465
Rental Income	80,185	-	77,000	-	(77,000)	80,185
<b>Total Revenue</b>	<u>288,615</u>	<u>324,148</u>	<u>77,517</u>	<u>161,601</u>	<u>(77,000)</u>	<u>774,881</u>
<b>Total Public Support and Revenue</b>	<u>8,777,252</u>	<u>574,393</u>	<u>77,517</u>	<u>161,601</u>	<u>(77,000)</u>	<u>9,513,763</u>
<b>EXPENSES:</b>						
Program Services	4,137,989	488,241	454,767	392,028	(77,000)	5,396,025
Management and General	1,168,061	-	-	-	-	1,168,061
Fundraising	1,411,201	-	-	-	-	1,411,201
<b>Total Expenses</b>	<u>6,717,251</u>	<u>488,241</u>	<u>454,767</u>	<u>392,028</u>	<u>(77,000)</u>	<u>7,975,287</u>
<b>CHANGE IN NET ASSETS:</b>	2,060,001	86,152	(377,250)	(230,427)	-	1,538,476
<b>TOTAL NET ASSETS:</b>						
Net Assets, Beginning of Year	5,736,085	(1,287,548)	1,276,940	(149,913)	1,024,642	6,600,206
NLEN Member Investments	-	1,271,812	46,869	417,849	(1,736,530)	-
Net Assets, End of Year	<u>\$ 7,796,086</u>	<u>\$ 70,416</u>	<u>\$ 946,559</u>	<u>\$ 37,509</u>	<u>\$ (711,888)</u>	<u>\$ 8,138,682</u>

**NORTH LAWDALE EMPLOYMENT NETWORK  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2024**

	<u>Program Services</u>					Total Management and General	Fundraising	Eliminations	Total
	North Lawndale Employment Network	Sweet Beginnings, LLC	NLEN Support Corporation	beelove café	Total Programs				
Salaries and Fringe Benefits	2,308,480	362,518	-	45,264	\$ 2,716,262	600,466	\$ 547,444	-	\$ 3,864,172
Professional Fees	746,851	21,046	22,148	15,666	805,711	559,528	479,119	-	1,844,358
Member and Community Reinvestment Costs	551,838	-	-	-	551,838	-	-	-	551,838
Occupancy	380,238	17,274	-	16,485	413,997	60,493	46,153	(72,000)	448,643
Cost of Goods Sold	-	114,580	-	308,900	423,480	-	-	-	423,480
Depreciation and Amortization	2,852	14,952	365,808	3,714	387,326	14,621	-	-	401,947
Payroll Taxes	199,239	32,283	-	-	231,522	50,357	36,539	-	318,418
Interest	179,050	-	84,829	-	263,879	-	-	-	263,879
Office Expense	155,299	17,700	183	13,144	186,326	4,074	52,886	-	243,286
Special Events Expense	10,927	777	-	-	11,704	639	147,860	-	160,203
Printing, Publications, and Marketing	14,771	2,504	-	845	18,120	1,221	137,955	-	157,296
Telecommunications	86,813	1,321	-	1,251	89,385	13,463	9,808	-	112,656
Office Equipment Rental and Purchase	54,710	-	-	-	54,710	8,743	41,028	(5,000)	99,481
Insurance	54,141	10,380	-	785	65,306	1,930	7,934	-	75,170
Meeting Expense	22,799	88	-	-	22,887	7,259	23,091	-	53,237
Conference and Workshops	5,852	-	-	-	5,852	12,338	20,230	-	38,420
Postage and Delivery	725	18	-	-	743	1,698	988	-	3,429
<b>Total Expenses</b>	<b>\$ 4,774,585</b>	<b>\$ 595,441</b>	<b>\$ 472,968</b>	<b>\$ 406,054</b>	<b>\$ 6,249,048</b>	<b>\$ 1,336,830</b>	<b>\$ 1,551,035</b>	<b>\$ (77,000)</b>	<b>\$ 9,059,913</b>

**NORTH LAWDALE EMPLOYMENT NETWORK  
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2023**

	Program Services				Total Programs	Management and General	Fundraising	Eliminations	Total
	North Lawndale Employment Network	Sweet Beginnings, LLC	NLEN Support Corporation	beelove café					
Salaries and Fringe Benefits	2,258,117	284,915	-	64,698	\$ 2,607,730	488,905	483,016	-	\$ 3,579,651
Professional Fees	675,565	14,398	2,888	20,505	713,356	432,039	310,089	-	1,455,484
Depreciation and Amortization	-	8,220	365,808	2,569	376,597	17,694	5,467	-	399,758
Cost of Goods Sold	-	117,447	-	266,469	383,916	-	-	-	383,916
Occupancy	221,820	3,996	-	7,245	233,061	49,769	117,480	(72,000)	328,310
Payroll Taxes	193,887	29,355	-	3,878	227,120	51,901	34,670	-	313,691
Member and Community Reinvestment Costs	288,191	1,100	-	1,244	290,535	-	201	-	290,736
Interest	-	10,005	84,829	-	94,834	6,130	165,594	-	266,558
Office Expense	164,845	14,084	1,242	12,759	192,930	17,198	10,816	-	220,944
Special Events Expense	21,416	417	-	-	21,833	1,550	161,442	-	184,825
Office Equipment Rental and Purchase	94,248	-	-	-	94,248	16,017	41,034	(5,000)	146,299
Meeting Expense	69,211	815	-	570	70,596	23,640	24,187	-	118,423
Telephone	84,226	-	-	567	84,793	21,307	8,179	-	114,279
Insurance	46,092	-	-	3,508	49,600	6,742	9,225	-	65,567
Printing, Publications, and Marketing	13,824	3,489	-	8,016	25,329	2,805	21,947	-	50,081
Conference and Workshops	5,835	-	-	-	5,835	30,535	13,033	-	49,403
Charitable Contributions	-	-	-	-	-	-	4,550	-	4,550
Postage and Delivery	712	-	-	-	712	1,829	271	-	2,812
<b>Total Expenses</b>	<b>\$ 4,137,989</b>	<b>\$ 488,241</b>	<b>\$ 454,767</b>	<b>\$ 392,028</b>	<b>\$ 5,473,025</b>	<b>\$ 1,168,061</b>	<b>\$ 1,411,201</b>	<b>\$ (77,000)</b>	<b>\$ 7,975,287</b>