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January 31, 2024

Board of Directors
National Able Network
567 W. Lake Street
Chicago, IL 60661

We have reviewed the audit report of National Able Network, which was opined upon by CliftonLarsonAllen LLP, Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of National Able Network as of June 30, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, CliftonLarsonAllen LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**NATIONAL ABLE NETWORK, INC.
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022



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**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2023 AND 2022**

INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	4
CONSOLIDATED STATEMENTS OF ACTIVITIES	5
CONSOLIDATED STATEMENTS OF CASH FLOWS	7
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES	8
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	10



INDEPENDENT AUDITORS' REPORT

Board of Directors
National Able Network, Inc. and Subsidiary
Chicago, Illinois

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of National Able Network, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, cash flows, and functional expenses for the years 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 National Able Network, Inc. and Subsidiary, as of June 30, 2023 and 2022, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of National Able Network, Inc. and Subsidiary and to meet our 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.

Emphasis-of-Matter Regarding Change in Accounting Principles

As discussed in Note 1 to the consolidated financial statements, in 2023 the National Able Network, Inc. and Subsidiary adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

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 consolidated 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 National Able Network, Inc. and Subsidiary's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS and *Government 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement 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 National Able Network, Inc. and Subsidiary'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about National Able Network, Inc. and Subsidiary'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.

Board of Directors
National Able Network, Inc. and Subsidiary

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023, on our consideration of National Able Network, Inc. and Subsidiary'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 National Able Network, Inc. and Subsidiary'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 National Able Network, Inc. and Subsidiary's internal control over financial reporting and compliance.


CliftonLarsonAllen LLP

Schererville, Indiana
October 16, 2023

NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,828,382	\$ 3,359,592
Receivables - Net of Allowance for Doubtful Accounts of \$7,076 in 2023 and 2022	3,531,798	3,407,881
Promises to Give	200,000	230,000
Deposits	59,676	59,676
Prepaid Expenses	181,909	80,282
Total Current Assets	7,801,765	7,137,431
FURNITURE AND EQUIPMENT		
Furniture and Equipment	1,032,931	1,012,966
Less: Accumulated Depreciation	(1,000,560)	(988,135)
Total Furniture and Equipment	32,371	24,831
OTHER ASSETS		
Right-of-Use Lease Asset	4,857,531	-
Total Assets	\$ 12,691,667	\$ 7,162,262
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,194,693	\$ 834,480
Accrued Wages and Vacation Pay	487,952	538,843
Accrued Payroll Taxes	20,185	21,642
Program Advances	83,320	52,774
Deferred Services	179,962	205,439
Other Accruals	94,858	63,416
Current Portion of Deferred Rent Obligations	-	83,996
Short-Term Lease Liability	1,000,614	-
Total Current Liabilities	3,061,584	1,800,590
LONG-TERM LIABILITIES		
Long-Term Deferred Rent Obligation, Net of Current Portion Above	-	371,541
Long-Term Lease Liability	4,312,454	-
Total Long-Term Liabilities	4,312,454	371,541
Total Liabilities	7,374,038	2,172,131
NET ASSETS		
Without Donor Restrictions	4,435,787	4,178,593
With Donor Restrictions	881,842	811,538
Total Net Assets	5,317,629	4,990,131
Total Liabilities and Net Assets	\$ 12,691,667	\$ 7,162,262

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Government Grants and Contracts	\$ 20,322,484	\$ -	\$ 20,322,484
Fees for Services	927,701	-	927,701
Contributions	248,784	560,000	808,784
Special Events	82,100	-	82,100
Other Income	517,407	-	517,407
Net Assets Released from Restrictions	489,696	(489,696)	-
In-Kind Contributions - Services	19,800	-	19,800
Total Revenues	22,607,972	70,304	22,678,276
EXPENSES			
Program Services:			
Client Services	10,127,581	-	10,127,581
Employer Services	10,493,953	-	10,493,953
Total Program Services	20,621,534	-	20,621,534
Supporting Services:			
Management and General	1,610,591	-	1,610,591
Fundraising	118,653	-	118,653
Total Supporting Services	1,729,244	-	1,729,244
Total Expenses	22,350,778	-	22,350,778
CHANGE IN NET ASSETS	257,194	70,304	327,498
Net Assets - Beginning of Year	4,178,593	811,538	4,990,131
NET ASSETS - END OF YEAR	\$ 4,435,787	\$ 881,842	\$ 5,317,629

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Government Grants and Contracts	\$ 22,916,388	\$ -	\$ 22,916,388
Fees for Services	936,094	-	936,094
Contributions	70,139	710,000	780,139
Special Events	29,950	-	29,950
Other Income	475,500	-	475,500
Net Assets Released from Restrictions	475,784	(475,784)	-
Total Revenues	24,903,855	234,216	25,138,071
EXPENSES			
Program Services:			
Client Services	9,442,792	-	9,442,792
Employer Services	13,537,364	-	13,537,364
Total Program Services	22,980,156	-	22,980,156
Supporting Services:			
Management and General	1,559,744	-	1,559,744
Fundraising	188,016	-	188,016
Total Supporting Services	1,747,760	-	1,747,760
Total Expenses	24,727,916	-	24,727,916
CHANGE IN NET ASSETS	175,939	234,216	410,155
Net Assets - Beginning of Year	4,002,654	577,322	4,579,976
NET ASSETS - END OF YEAR	\$ 4,178,593	\$ 811,538	\$ 4,990,131

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 327,498	\$ 410,155
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	2,305	13,535
Amortization of Right-of-Use Asset	10,120	-
Effects of Changes in Operating Assets and Liabilities:		
Receivables	(123,917)	657,913
Promises to Give	30,000	(14,700)
Other Assets	(101,627)	95,026
Accounts Payable	360,213	165,348
Deferred Rent Obligation	-	(83,996)
Accrued Liabilities	(20,906)	(729,357)
Program Advances	30,546	(98,299)
Deferred Services	(25,477)	(65,060)
Net Cash Provided by Operating Activities	488,755	350,565
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Furniture and Equipment	(19,965)	-
Net Cash Used by Investing Activities	(19,965)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	468,790	350,565
Cash and Cash Equivalents - Beginning of Year	3,359,592	3,009,027
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,828,382	\$ 3,359,592
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Right-of-Use Asset Obtained in Exchange for Right-of-Use Lease Liabilities	\$ 3,683,502	\$ -

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

	Program Services			Supporting Services		
	Client Services	Employer Services	Total Program Services	Management and General	Fundraising	Total
Salaries, Wages, and Client Compensation	\$ 4,546,878	\$ 10,005,329	\$ 14,552,207	\$ 920,251	\$ 32,070	\$ 15,504,528
Tuition and Fees, on the Job Training Expenses	2,928,898	-	2,928,898	-	-	2,928,898
Occupancy	974,746	220,316	1,195,062	330,125	5,490	1,530,677
Postage and Shipping	8,473	4,432	12,905	8,344	203	21,452
Telephone	65,248	41,561	106,809	28,099	3,436	138,344
Office Supplies	30,064	5,456	35,520	19,890	2,664	58,074
Local Transportation	22,469	29,803	52,272	16,060	1,069	69,401
Equipment Purchases, Rentals, and Repairs	205,405	44,188	249,593	47,132	1,288	298,013
Depreciation and Amortization of Right-of-Use Asset	12,425	-	12,425	-	-	12,425
Professional Fees and Contract Service Payments	985,197	138,523	1,123,720	235,468	69,704	1,428,892
Reference Publications	4,486	-	4,486	-	-	4,486
Conferences and Meetings	41,482	30	41,512	2,963	1,138	45,613
Participant Supplies and Expenses	107,936	4,315	112,251	-	10	112,261
Other Expenses	193,874	-	193,874	2,259	1,581	197,714
Total Functional Expenses	<u>\$ 10,127,581</u>	<u>\$ 10,493,953</u>	<u>\$ 20,621,534</u>	<u>\$ 1,610,591</u>	<u>\$ 118,653</u>	<u>\$ 22,350,778</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

	Program Services			Supporting Services		
	Client Services	Employer Services	Total Program Services	Management and General	Fundraising	Total
Salaries, Wages, and Client Compensation	\$ 5,109,616	\$ 12,918,769	\$ 18,028,385	\$ 772,911	\$ 101,157	\$ 18,902,453
Tuition and Fees, on the Job Training Expenses	2,092,415	-	2,092,415	-	-	2,092,415
Occupancy	764,981	304,924	1,069,905	388,976	2,896	1,461,777
Postage and Shipping	6,126	7,769	13,895	3,823	321	18,039
Telephone	71,571	55,458	127,029	30,828	1,823	159,680
Office Supplies	20,044	15,875	35,919	7,636	588	44,143
Local Transportation	14,722	27,753	42,475	3,519	-	45,994
Equipment Purchases, Rentals, and Repairs	192,475	56,653	249,128	57,352	2,238	308,718
Depreciation Expense	13,535	-	13,535	-	-	13,535
Professional Fees and Contract Service Payments	862,373	139,301	1,001,674	278,671	74,382	1,354,727
Conferences and Meetings	26,946	-	26,946	2,092	1,080	30,118
Participant Supplies and Expenses	115,595	5,274	120,869	-	-	120,869
Other Expenses	152,393	5,588	157,981	13,936	3,531	175,448
Total Functional Expenses	<u>\$ 9,442,792</u>	<u>\$ 13,537,364</u>	<u>\$ 22,980,156</u>	<u>\$ 1,559,744</u>	<u>\$ 188,016</u>	<u>\$ 24,727,916</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

National Able Network, Inc. (National Able) was incorporated in 1976 in Illinois as a nonprofit corporation. National Able, along with its wholly owned subsidiary, Barrington Career Resource Center Foundation Ltd. (CareerPlace), creates employment opportunities for older, disadvantaged, or dislocated workers mainly in the Chicago area, as well as certain other regions of the United States, through the operation of outreach, assessment, counseling, case management, vocational training, and job placement services. The programs of CareerPlace have been incorporated into the operations of National Able, and CareerPlace is currently inactive. National Able and the CareerPlace's fiscal year ends on June 30. Significant accounting policies followed by National Able and the CareerPlace are presented below.

Use of Estimates in Preparing Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of National Able and the CareerPlace (collectively, the Organization). Intercompany transactions and balances have been eliminated in consolidation.

Basis of Accounting

The consolidated financial statements have been prepared on the accrual basis of accounting.

Consolidated Financial Statement Presentation

Consolidated financial statement presentation follows GAAP for nonprofit organizations. GAAP requires the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Consequently, net assets of the organization and changes therein are classified and defined as follows:

Net Assets Without Donor Restrictions – Those resources over which the board of directors has discretionary control and are not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions either by purpose and/or by the passage of time. Other donor-imposed restrictions are perpetual in nature, when the donor stipulates that resources be maintained in perpetuity. The Organization had no net assets that were required by donor stipulation to be held in perpetuity as of June 30, 2023 and 2022.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidated Financial Statement Presentation (Continued)

Net assets are generally reported as without donor restriction unless assets are received from donors with explicit stipulations that limit the use of the asset. In addition, the Organization is required to present a consolidated statement of cash flows.

Cash and Cash Equivalents

The Organization considers its operating and payroll checking accounts, petty cash, and money market accounts to be cash equivalents.

At times, the Organization's cash balances may exceed federally insured limits; however, the Organization has not experienced any losses in such accounts and limits its exposure to credit risk by maintaining its cash and cash equivalents in highly reputable financial institutions.

Receivables

Receivables are primarily funding source obligations with some customer accounts. Receivables are stated at the invoice amount. Payments of receivables are applied to the specific invoices identified on the funding source's or customer's advice, or in some cases, to the earliest unpaid invoices.

The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific funding source and customer accounts and the aging of the receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off to the valuation allowance.

Promises to Give

Unconditional promises to give are recognized as revenue in the period that the promises are received. Conditional promises to give are recognized when the conditions are substantially met. An allowance for uncollectible contributions receivable is provided based upon management's judgment, considering such factors as prior collection history type of contribution, relationship with donor, and other relevant factors.

Promises to give are unconditional contributions receivable, all of which are expected to be collected in less than one year.

Furniture and Equipment

Items exceeding \$5,000 with a useful life of more than one year are recorded as additions to furniture and equipment and recognized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally three to seven years.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Program Advances

Program advances primarily represent cash advances received from various governmental agencies. Funds received by the Organization in advance of providing services under the terms of a contract or grant are recorded as a liability until services are performed and acknowledged by the funding organization.

Deferred Services

Deferred services represent cash advances received for courses. Funds received by the Organization in advance of providing services are recorded as a liability until courses are performed.

Leases

The Organization determines if an arrangement is a lease at inception. The Organization's operating and finance leases are included in right-of-use (ROU) lease asset and lease liability. ROU assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Organization has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the consolidated statement of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Organization has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

The Organization has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions

The Organization receives a significant portion of its operating funds from grants and awards. These funds are reported as increases in net assets without donor restriction as the grants reimburse the Organization for services provided.

The Organization records contributions in accordance with GAAP for nonprofit organizations. Contributions are recognized as revenue when the donor makes a promise to give that is, in substance, unconditional. Contributions received are recorded as net assets with or without donor restriction depending on the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or program restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as Net Assets Released from Restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable program advances in the consolidated statement of financial position. The Organization received cost-reimbursable grants of \$83,320 and \$52,774 that have not been recognized at June 30, 2023 and 2022, respectively, because qualifying expenditures have not yet been incurred and are reflected in the consolidated statements of financial position as program advances.

Fee for Services

Fee for services includes course fees held and recognized ratably throughout the course period. Income received in advance is deferred until the related event occurs.

Donated Equipment

Donated items of equipment are recorded as financial support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. The Organization did not receive donations of equipment for the years ended June 30, 2023 and 2022.

In-kind donations of materials are recorded at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Equipment (Continued)

Donations of services are recorded if they create or enhance a nonfinancial asset or are specialized skills that would be purchased if they were not donated. While the Organization received many hours of volunteer time in the years ended June 30, 2023 and 2022, none of this time, other than that disclosed below, was considered specialized or enhancing to a nonfinancial asset. Accordingly, no financial adjustment was made.

During the year ended June 30, 2023, the Organization provided fiscal agent services in the form of chief financial officer (CFO) consulting to an unrelated nonprofit entity for a total of \$19,500 or \$1,650 monthly. The amount recognized represents the rate of comparable services in the Chicagoland market. No restrictions are imposed given the nature of donated activity and services provided are reflected within program services within Tuition and Fees, on the Job Training in Client Service within the consolidated statements of functional expense.

Functional Allocation of Costs

The costs of providing various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and categorized by natural classification within the consolidated statements of functional expenses. The consolidated financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy costs which are allocated based on square footage of area occupied, as well as salaries and benefits, which are allocated based on estimates of time and effort.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), qualifies for the charitable contribution deduction under Section 170(b)(1)(A), and has been classified as an organization other than a private foundation under IRC Section 509(a)(1). The Organization has adopted the requirements for accounting for uncertain tax positions and determined that it was not required to record a liability related to uncertain tax positions.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard

Contributed Nonfinancial Assets

In September 2020, the FASB issued amended guidance for contributed nonfinancial assets, Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The guidance requires the presentation of contributed nonfinancial assets as a separate line item in the statement of activities, disclosure of the disaggregated amount by type and disclosure of qualitative information about whether the contributed nonfinancial assets were monetized or utilized during the reporting period as well as a description of the programs or other activities in which the assets were used. The guidance also requires disclosure of any donor-imposed restrictions and a description of valuation techniques. The adoption of the new guidance in 2023 did not have a significant effect on the presentation or disclosures within the Organization's consolidated financial statements.

Leases

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. Topic 842 increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization has adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this lease standard to the beginning of the period of adoption, while continuing to present the comparative period in accordance with the guidance under the lease standard in effect during that period. Lease disclosure for the year ended June 30, 2022 is made under prior lease guidance FASB Accounting Standards Codification (ASC) 840.

The Organization has elected to adopt the package of practical expedients available in the year of adoption. The organization has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Organization's ROU assets.

NOTE 2 LIQUIDITY

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Organization has a committed credit line of \$1,500,000 which could be drawn on at any time to cover general expenditures. The promise to give is subject to time restrictions but is expected to be collected within one year of the consolidated statement of financial position date.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 2 LIQUIDITY (CONTINUED)

The Organization's financial assets due within one year of the consolidated statement of financial position date for general expenditures are as follows:

	2023	2022
Cash and Cash Equivalents	\$ 3,828,382	\$ 3,359,592
Receivables - Net of Allowance for Doubtful Accounts	3,531,798	3,407,881
Promise to Give	200,000	230,000
Total	7,560,180	6,997,473
Less: Net Assets with Donor Restrictions	(881,842)	(811,538)
Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	\$ 6,678,338	\$ 6,185,935

NOTE 3 PROGRAM SERVICES

The Organization's multicultural and multilingual staff provides career coaching, referrals, skills training, and employment placement and retention services for:

- Low-income seniors
- Military veterans
- Individuals who lost jobs due to layoff, including international outsourcing
- Low-income adults including those receiving public aid
- Public housing residents
- Recent immigrants

Each year, the Organization assists job seekers and employers through a variety of employment and training programs.

The Organization operates out of 19 locations in the Chicago area as well as throughout Illinois and other states. The Organization's downtown Chicago headquarters is home to all central administrative offices and has an Information Technology training center (Able Career Institute branded as IT Career Lab), as well as its operations for Veterans' programs. Other Chicago area offices include Chicago Heights, Evanston, Skokie, the Chicago Workforce Center in the near west community of Pilsen, and Palatine.

The Senior Community Service Employment Program (SCSEP) provides individuals 55 years and older services throughout the states of Indiana and Delaware. In addition to SCSEP, the Organization provides services in Illinois under grants from the Illinois Department of Commerce and Economic Opportunity for trade-displaced workers and services authorized by the federal Workforce Innovation and Opportunity Act under grants with the Chicago Cook Workforce Partnership. The Organization also offers a variety of services directly to area employers including webinars and training on hiring best practices, customized training, retention support, and hosted hiring events.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 3 PROGRAM SERVICES (CONTINUED)

Approximately one-third of the Organization's clients live in households where the primary language spoken is not English and the majority are considered low-income. Staff are ethnically diverse, with roots in the same communities the Organization serves, and are especially adept at understanding and addressing the needs of the individuals they serve.

NOTE 4 RECEIVABLES

The Organization's receivables consisted of the following at June 30:

	2023	2022
Government Grants	\$ 3,514,735	\$ 3,406,161
Other	24,139	8,796
Receivables, Gross	<u>3,538,874</u>	<u>3,414,957</u>
Less: Allowance for Uncollectible Receivables	7,076	7,076
Total	<u><u>\$ 3,531,798</u></u>	<u><u>\$ 3,407,881</u></u>

NOTE 5 LINE OF CREDIT

The Organization has a line of credit agreement with a borrowing limit of \$1,500,000 that bears interest equal to the prime rate plus 0.25%. This agreement is to continue indefinitely until the parties to the agreement agree to its termination. The prime rate was 8.25% and 4.38% at June 30, 2023 and 2022. Borrowings under the agreement are secured by the assets of the Organization. There were no balances outstanding on the line of credit as of June 30, 2023 and 2022.

NOTE 6 DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan covering substantially all employees. All contributions to the plan are at the discretion of the Organization's board. Contributions to the plan for the years ended June 30, 2023 and 2022 were \$184,083 and \$196,034, respectively.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows:

<u>Funder, Purpose</u>	<u>June 30, 2022 Balance</u>	<u>Support and Revenues</u>	<u>Satisfaction of Restriction</u>	<u>June 30, 2023 Balance</u>
Subject to Expenditure for Specified Purpose:				
Bank of America, Veterans Program	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Chicago Community Trust, IT Career Lab	330,546	200,000	47,597	482,949
Fry Foundation, IT Career Lab	60,000	60,000	-	120,000
McCormick Foundation, Veterans Forward Model	170,992	250,000	192,099	228,893
Chicago Foundation, IT Career Lab and Women's Workforce	175,000	-	175,000	-
Retirement Research Foundation, Senior Advocacy	-	-	-	-
Northern Trust	25,000	-	25,000	-
Total Net Assets With Donor Restrictions	<u>\$ 811,538</u>	<u>\$ 560,000</u>	<u>\$ 489,696</u>	<u>\$ 881,842</u>

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions are as follows:

<u>Funder, Purpose</u>	<u>June 30, 2021 Balance</u>	<u>Support and Revenues</u>	<u>Satisfaction of Restriction</u>	<u>June 30, 2022 Balance</u>
Subject to Expenditure for Specified Purpose:				
Bank of America, Veterans Program	\$ 40,000	\$ 50,000	\$ 40,000	\$ 50,000
Chicago Community Trust, IT Career Lab	135,000	250,000	54,454	330,546
Fry Foundation, IT Career Lab	-	60,000	-	60,000
McCormick Foundation, Veterans Forward Model	198,976	150,000	177,984	170,992
Weinberg Foundation, IT Career Lab	76,046	-	76,046	-
Chicago Foundation, IT Career Lab and Women's Workforce	45,000	175,000	45,000	175,000
Retirement Research Foundation, Senior Advocacy	80,300	-	80,300	-
Northern Trust	-	25,000	-	25,000
Keri Blackwell, Veterans Program	1,000		1,000	-
Alliant, Vets Forward Program	1,000		1,000	-
Total Net Assets With Donor Restrictions	<u>\$ 577,322</u>	<u>\$ 710,000</u>	<u>\$ 475,784</u>	<u>\$ 811,538</u>

NOTE 8 LEASES

The organization leases various equipment and office space for various terms under long-term, noncancelable lease arrangements. The leases expire at various dates through 2031.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 8 LEASES (CONTINUED)

A maturity analysis of annual discounted cash flows for lease liabilities as of June 30, 2023, is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 1,164,999
2025	1,152,417
2026	1,136,213
2027	518,489
2028	462,250
Thereafter	1,326,500
Total	<u>5,760,869</u>
Less: Imputed Interest	(447,801)
Total	<u>\$ 5,313,068</u>
Short-Term Lease Liabilities	\$ 1,000,614
Long-Term Lease Liabilities	<u>4,312,454</u>
Total	<u>\$ 5,313,068</u>

The following tables provide quantitative information concerning the Organization's leases for the year ended June 30, 2023:

	<u>2023</u>
Lease Cost:	
Operating Lease Cost	\$ 1,070,075
Sublease income	(456,724)
Total Lease Cost	<u>\$ 613,351</u>
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Operating Leases	<u>\$ 1,163,909</u>
Right-of-Use Assets Obtained in Exchange for New Lease Liabilities:	
Operating	<u>\$ 3,683,502</u>
Weighted-Average Remaining Lease Term:	
Operating Lease	5.86 Years
Weighted-Average Discount Rate:	
Operating Lease	2.88%

Minimum rental payments do not include adjustments for the Organization's share of building's operating expenses and real estate taxes.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 8 LEASES (CONTINUED)

Subleases

The Organization has entered into subleasing agreements expiring through January 2026 or are under month-to-month arrangements. Minimum future lease payments to be received on the subleasing agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 157,308
2025	157,308
2026	91,763
Total	<u>\$ 406,379</u>

Total rental income from these leases was \$456,724 and \$425,216 for the years ended June 30, 2023 and 2022, respectively, and is included as part of other Income on the consolidated statements of activities.

NOTE 9 CASH FLOW DISCLOSURES

There was no cash paid for interest or income taxes during the years ended June 30, 2023 and 2022.

The Organization had no noncash investing or financing activities during the year ended June 30, 2022.

NOTE 10 SIGNIFICANT CONCENTRATIONS

The Organization receives a substantial portion of its support and revenues from various state and local government agencies through the U.S. Department of Labor (approximately 86% and 90% of total revenues as well as 95% of gross accounts receivable for the years ended June 30, 2023 and 2022, respectively).

NOTE 11 CONTINGENCIES

The grants received by the Organization are subject to audit and the Organization could become liable for any expenditure disallowed upon audit. Management believes, however, that such disallowances, if any, would not be material.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE 12 REVENUE AND ADVANCED COLLECTIONS

The following table shows the Organization's revenue from contracts with customers disaggregated according to the timing of the transfer of goods or services:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Revenue Recognized Over Time:			
Fee for Services	<u>\$ 1,103,979</u>	<u>\$ 936,094</u>	<u>\$ 1,006,351</u>

Advanced collections on these contracts consisted of the following amounts at June 30:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deferred Services	<u>\$ 179,962</u>	<u>\$ 205,439</u>	<u>\$ 270,499</u>

There are no contract assets for 2023, 2022, and 2021.

NOTE 13 SUBSEQUENT EVENTS

Management evaluated subsequent events through October 16, 2023, the date the consolidated financial statements were available to be issued. Events or transactions occurring after June 30, 2023, but prior to October 16, 2023, that provided additional evidence about conditions that existed at June 30, 2023, have been recognized in the consolidated financial statements for the year ended June 30, 2023. Events or transactions that provided evidence about conditions that did not exist at June 30, 2023, but arose before the consolidated financial statements were available to be issued have not been recognized in the consolidated financial statements for the year ended June 30, 2023.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

**NATIONAL ABLE NETWORK, INC.
AND SUBSIDIARY**

SINGLE AUDIT REPORTS

YEAR ENDED JUNE 30, 2023



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**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	9



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
National Able Network, Inc. and Subsidiary
Chicago, Illinois

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 consolidated financial statements of National Able Network, Inc. and Subsidiary (the Organization), which comprise the consolidated statements of financial position as of June 30, 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, and have issued our report thereon dated October 16, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated 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 consolidated 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 consolidated 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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 consolidated 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 result 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.



CliftonLarsonAllen LLP

Schererville, Indiana
October 16, 2023



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
National Able Network, Inc. and Subsidiary
Chicago, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited National Able Network, Inc. and Subsidiary's (the Organization's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, National Able Network, Inc. and Subsidiary complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of National Able Network, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of National Able Network, Inc. and Subsidiary's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to National Able Network, Inc. and Subsidiary's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on National Able Network, Inc. and Subsidiary's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about National Able Network, Inc. and Subsidiary's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 National Able Network, Inc. and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of National Able Network, Inc. and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of National Able Network, Inc. and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of the National Able Network, Inc. and Subsidiary as of and for the year ended June 30, 2023, and have issued our report thereon dated October 16, 2023, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



CliftonLarsonAllen LLP

Schererville, Indiana
October 16, 2023

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Agriculture				
Passed Through Illinois Department of Human Services State Administrative Matching Grants for the Supplemental Supplemental Nutrition Assistance Program	10.561	FCSBG06494	\$ -	\$ 1,963,006
Supplemental Nutrition Assistance Program	10.561	183155	-	31,896
Supplemental Nutrition Assistance Program	10.561	233NE426S2519/23NE426S2520	-	63,186
Total SNAP Cluster (AL Number 10.561)			-	2,058,088
Total Department of Agriculture			-	2,058,088
Department of Health and Human Services				
Passed Through City of Chicago Department of Family and Support Services Community Services Block Grant - Transitional Job Program	93.569	PO#177531-222177	-	41,526
Community Services Block Grant - Transitional Job Program	93.569	PO#177531-185628	-	62,800
Total AL Number 93.569			-	104,326
Total Department of Health and Human Services			-	104,326
Department of Housing and Urban Development				
Passed Through City of Chicago Department of Family and Support Services Community Development Block Grant	14.218	PO#157747	-	14,985
Total Department of Housing and Urban Development			-	14,985
Department of Labor				
Senior Community Service Employment Program	17.235	AD-38313-22-60-A-17	-	5,437,680
Passed Through Illinois Department of Aging Senior Community Service Employment	17.235	V9-22-12A	-	2,621,444
Passed Through State of Nebraska - Department of Labor Senior Community Service Employment	17.235	023-0032-2022	-	553,528
Passed Through National Asian Pacific Center on Aging Senior Community Service Employment	17.235	SSP21-85	-	135,333
Passed Through Indiana Department of Workforce Development Senior Community Service Employment	17.235	66209	-	1,440,901
Passed Through State of Minnesota - Department of Labor Senior Community Service Employment Program	17.235	2NAT15100	-	474,992
Total AL Number 17.235			-	10,663,878 *
Passed Through Cook County - The Partnership Workforce Investment Act Adult Program - LWIA 9	17.258	2022-239	-	380,444
Workforce Investment Act Adult Program - LWIA 8	17.258	2022-236	-	161,065
Workforce Investment Act Adult Program - LWIA 7	17.258	2022-222	-	315,246
Workforce Investment Act Adult Program - Sector Center	17.258	2022-2104	-	194,362
Workforce Investment Act Adult Program - MOU	17.258	LWIA # 5 MOW	-	53,120
Workforce Investment Act Adult Program - Career Pathway	17.258	2022-2141	-	163,052
Passed Through Heartland Workforce Solutions, Inc. Workforce Investment Act Adult Program	17.258	01-2019	-	1,524,196
Workforce Investment Act Adult Program	17.258	01-2019	-	65,903
Total AL Number 17.258			-	2,857,388

* This program was tested as a major program at June 30, 2023.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Department of Labor (Continued)				
Passed Through Cook County - The Partnership Youth Out of School Program - Sector Center	17.259	2022-5104	\$ -	\$ 46,433
Youth Out of School Program - AJC Pilsen	17.259	2022-539	-	183,608
Youth Out of School Program - AJC PSC	17.259	2022-522	-	180,621
Total AL Number 17.259			-	410,662
Passed Through Cook County - The Partnership Dislocated Worker Formula Grants - LWIA 9	17.278	2022-339	-	483,428
Dislocated Worker Formula Grants - LWIA 8	17.278	2022-336	-	266,427
Dislocated Worker Formula Grants - LWIA 7	17.278	2022-322	-	444,829
Dislocated Worker Formula Grants - Sector Center	17.278	2022-3104	-	246,587
Dislocated Worker Formula Grants - MOU	17.278	LWIA # 5 MOU	-	53,120
Dislocated Worker Formula Grants - Career Pathway	17.278	2022-3141	-	109,241
Dislocated Worker Formula Grants - DWG0WIOA	17.278	314-339	-	26,902
Passed Through Illinois Dept. of Commerce and Economic Opportunity Dislocated Worker	17.278	21-651027	-	2,665
Passed Through Heartland Workforce Solutions, Inc. WIA/WIOA Dislocated Worker Formula	17.278	01-2019	-	65,903
WIA/WIOA Dislocated Worker Formula	17.278	01-2019	-	128,780
Total AL Number 17.278			-	1,827,882
Total WIOA Cluster (AL Number 17.258, 17.259, 17.278)			-	5,095,932
Passed Through Cook County - The Partnership NEG Disaster Recovery Plan	17.277	312-339	-	9,416
NEG Employment Recovery	17.277	313-339	-	44,029
Total AL Number 17.277			-	53,445
Passed Through Illinois Department of Commerce and Economic Opportunity Trade Adjustment Assistance	17.245	20-661027	-	485,118
Trade Adjustment Assistance	17.245	21-661027	-	902,076
Total AL Number 17.245			-	1,387,194 *
Passed Through Illinois Department of Commerce and Economic Opportunity Trade Adjustment Act - Apprentice	17.285	21-111014	-	178,026
Total AL Number 17.285			-	178,026
Total Department of Labor			-	17,378,475
Department of Treasury				
Passed Through Illinois Department of Commerce and Economic Opportunity COVID 19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	21-417028	-	370,437
Total AL Number 21.027			-	370,437
COVID 19 - Coronavirus Relief Fund	21.019	ALN-21-019	-	180,181
Total AL Number 21.019			-	180,181
Total Department of Treasury			-	550,618
Total Expenditures of Federal Awards			\$ -	\$ 20,106,492

* This program was tested as a major program at June 30, 2023.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the Organization under programs of the federal government for the year ended June 30, 2023. The information in this SEFA is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. As the SEFA presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

The Organization has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 OTHER MATTERS

Amount of Noncash Assistance – None
Amount of Insurance – None
Amount of Loans – None
Amount of Loan Guarantees – None

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of Auditors’ Results

Consolidated Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

Assistance Listing Number(s)
17.235
17.245

Name of Federal Program or Cluster
Senior Community Service Employment Program
Trade Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).



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