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November 12, 2020

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, 2018 to June 30, 2019. 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, 2019 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.

  
Paul D. Joyce, CPA  
State Examiner

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2019 AND 2018**



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## INDEPENDENT AUDITORS' REPORT

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

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, 2019 and 2018, 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.

### ***Management's Responsibility for the Consolidated Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the National Able Network, Inc. and Subsidiary, as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2019, on our consideration of the 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 the National Able Network, Inc. and Subsidiary's internal control over financial reporting and compliance.

**Emphasis of Matter**

As discussed in Note 1 to the consolidated financial statements, in the year ended June 30, 2019, National Able Network, Inc. and Subsidiary adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.



**CliftonLarsonAllen LLP**

Oak Brook, Illinois  
September 18, 2019

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

<b>ASSETS</b>	2019	2018
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,322,529	\$ 921,796
Cash Restricted from Walmart Foundation	-	167,220
Receivables - Net of Allowance for Doubtful Accounts of \$14,742 in 2019 and \$20,120 in 2018	2,719,360	2,676,019
Promises to Give	180,750	62,500
Deposits	61,087	59,287
Prepaid Expenses	97,385	105,261
Total Current Assets	4,381,111	3,992,083
<b>FURNITURE AND EQUIPMENT</b>		
Furniture and Equipment	1,000,188	1,000,188
Less: Accumulated Depreciation	(940,251)	(924,251)
Total Furniture and Equipment	59,937	75,937
Total Assets	\$ 4,441,048	\$ 4,068,020
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 237,295	\$ 423,038
Accrued Wages and Vacation Pay	792,538	833,631
Accrued Payroll Taxes	106,255	48,395
Program Advances	11,374	5,919
Other Accruals	66,433	70,692
Current Portion of Deferred Rent Obligation	103,992	82,363
Total Current Liabilities	1,317,887	1,464,038
<b>DEFERRED RENT OBLIGATION</b>	727,639	853,260
Total Liabilities	2,045,526	2,317,298
<b>NET ASSETS</b>		
Without Donor Restrictions	2,005,232	1,234,647
With Donor Restrictions	390,290	516,075
Total Net Assets	2,395,522	1,750,722
Total Liabilities and Net Assets	\$ 4,441,048	\$ 4,068,020

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019**

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Government Grants and Contracts	\$ 20,627,142	\$ -	\$ 20,627,142
Fees for Services	1,569,012	-	1,569,012
Contributions	117,267	430,750	548,017
Special Events	31,275	-	31,275
Other Income	636,300	-	636,300
Net Assets Released from Restrictions	556,535	(556,535)	-
Total Revenues	<u>23,537,531</u>	<u>(125,785)</u>	<u>23,411,746</u>
<b>EXPENSES</b>			
Program Services:			
Client Services	8,081,754	-	8,081,754
Employer Services	13,012,593	-	13,012,593
Total Program Services	<u>21,094,347</u>	<u>-</u>	<u>21,094,347</u>
Supporting Services:			
Management and General	1,613,883	-	1,613,883
Fundraising	58,716	-	58,716
Total Supporting Services	<u>1,672,599</u>	<u>-</u>	<u>1,672,599</u>
Total Expenses	<u>22,766,946</u>	<u>-</u>	<u>22,766,946</u>
<b>CHANGE IN NET ASSETS</b>	770,585	(125,785)	644,800
Net Assets - Beginning of Year	<u>1,234,647</u>	<u>516,075</u>	<u>1,750,722</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,005,232</u>	<u>\$ 390,290</u>	<u>\$ 2,395,522</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2018**

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Government Grants and Contracts	\$ 19,713,982	\$ -	\$ 19,713,982
Fees for Services	1,249,928	-	1,249,928
Contributions	190,766	386,350	577,116
Special Events	42,023	-	42,023
Other Income	661,142	-	661,142
Net Assets Released from Restrictions	688,442	(688,442)	-
Total Revenues	<u>22,546,283</u>	<u>(302,092)</u>	<u>22,244,191</u>
<b>EXPENSES</b>			
Program Services:			
Client Services	7,668,497	-	7,668,497
Employer Services	12,754,146	-	12,754,146
Total Program Services	<u>20,422,643</u>	<u>-</u>	<u>20,422,643</u>
Supporting Services:			
Management and General	1,610,745	-	1,610,745
Fundraising	60,403	-	60,403
Total Supporting Services	<u>1,671,148</u>	<u>-</u>	<u>1,671,148</u>
Total Expenses	<u>22,093,791</u>	<u>-</u>	<u>22,093,791</u>
<b>CHANGE IN NET ASSETS</b>	452,492	(302,092)	150,400
Net Assets - Beginning of Year	<u>782,155</u>	<u>818,167</u>	<u>1,600,322</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,234,647</u>	<u>\$ 516,075</u>	<u>\$ 1,750,722</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 644,800	\$ 150,400
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	16,000	10,308
Effects of Changes in Operating Assets and Liabilities:		
Receivables	(43,341)	(106,594)
Promises to Give	(118,250)	35,000
Other Assets	6,076	(17,654)
Accounts Payable	(185,743)	161,736
Deferred Rent Obligation	(103,992)	(82,363)
Accrued Liabilities	12,508	(40,821)
Program Advances	5,455	(15,608)
Net Cash Provided by Operating Activities	233,513	94,404
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Furniture and Equipment	-	(36,006)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	233,513	58,398
Cash and Cash Equivalents - Beginning of Year	1,089,016	1,030,618
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,322,529	\$ 1,089,016

*See accompanying Notes to Consolidated Financial Statements.*

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2019**

2019

	Program Services			Supporting Services		
	Client Services	Employer Services	Total Program Services	Management and General	Fundraising	Total
Salaries, Wages, and Client Compensation	\$ 4,526,281	\$ 12,377,672	\$ 16,903,953	\$ 931,547	\$ 25,148	\$ 17,860,648
Tuition and Fees, on the Job Training Expenses	1,297,472	-	1,297,472	-	-	1,297,472
Occupancy	850,684	249,940	1,100,624	312,949	4,609	1,418,182
Postage and Shipping	3,967	10,288	14,255	3,440	160	17,855
Telephone	65,666	60,997	126,663	27,201	17	153,881
Office Supplies	52,895	18,641	71,536	34,467	1,261	107,264
Local Transportation	38,382	94,615	132,997	17,265	199	150,461
Equipment Purchases, Rentals, and Repairs	262,242	56,556	318,798	44,203	68	363,069
Depreciation Expense	10,625	-	10,625	5,375	-	16,000
Professional Fees and Contract						
Service Payments	689,644	131,368	821,012	231,468	19,645	1,072,125
Reference Publications	10,718	-	10,718	381	995	12,094
Conferences and Meetings	30,437	1,642	32,079	3,299	2,790	38,168
Participant Supplies and Expenses	223,273	5,622	228,895	-	1,500	230,395
Other Expenses	19,468	5,252	24,720	2,288	2,324	29,332
<b>Total Functional Expenses</b>	<b>\$ 8,081,754</b>	<b>\$ 13,012,593</b>	<b>\$ 21,094,347</b>	<b>\$ 1,613,883</b>	<b>\$ 58,716</b>	<b>\$ 22,766,946</b>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2018**

2018

	Program Services			Supporting Services		
	Client Services	Employer Services	Total Program Services	Management and General	Fundraising	Total
Salaries, Wages, and Client Compensation	\$ 4,393,614	\$ 12,159,865	\$ 16,553,479	\$ 968,872	\$ 21,008	\$ 17,543,359
Tuition and Fees, on the Job Training Expenses	1,342,547	-	1,342,547	-	-	1,342,547
Occupancy	715,746	195,392	911,138	315,838	509	1,227,485
Postage and Shipping	3,496	15,390	18,886	4,600	521	24,007
Telephone	66,956	59,267	126,223	16,571	84	142,878
Office Supplies	57,636	19,561	77,197	34,926	5,122	117,245
Local Transportation	27,561	95,766	123,327	14,354	1,584	139,265
Equipment Purchases, Rentals, and Repairs	199,937	31,451	231,388	53,789	2,485	287,662
Depreciation Expense	9,422	-	9,422	886	-	10,308
Professional Fees and Contract						
Service Payments	583,491	162,660	746,151	195,233	19,161	960,545
Reference Publications	5,314	-	5,314	308	2,587	8,209
Conferences and Meetings	32,801	2,401	35,202	3,523	5,066	43,791
Participant Supplies and Expenses	188,654	9,470	198,124	-	-	198,124
Other Expenses	41,322	2,923	44,245	1,845	2,276	48,366
<b>Total Functional Expenses</b>	<b>\$ 7,668,497</b>	<b>\$ 12,754,146</b>	<b>\$ 20,422,643</b>	<b>\$ 1,610,745</b>	<b>\$ 60,403</b>	<b>\$ 22,093,791</b>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**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 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 accounting principles generally accepted in the United States of America for nonprofit organizations. Accounting principles generally accepted in the United States of America 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, 2019 and 2018.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**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.

**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**

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.

**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.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Rent Obligation**

The Organization has operating leases which contain provisions for rent abatement at the beginning of the lease term and for escalating rent throughout the lease term. In accordance with accounting principles generally accepted in the United States of America, the Organization records monthly rent expense equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid is charged to deferred rent obligation.

**Support and Revenues**

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 accounting principles generally accepted in the United States of America 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 statements of activities as Net Assets Released from Restrictions.

**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, 2019 and 2018.

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.

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, 2019 and 2018, none of this time was considered specialized or enhancing to a nonfinancial asset. Accordingly, no financial adjustment was made.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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 on the basis of 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.

**Reclassifications**

Certain reclassifications have been made to the June 30, 2018 financial statement amounts in order to conform to the June 30, 2019 presentation. These reclassifications have had no impact on the total assets, net assets with donor restrictions, net assets without donor restrictions, or changes in net assets previously reported.

**Adoption of New Accounting Standard**

In the year ended June 30, 2019, the Organization adopted Accounting Standards Update (ASU) No. 2016-14 – *Not-for-Profit entities (Topic 958): Presentation of Financial statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the consolidated financial statements and notes to the consolidated financial statements about a nonprofit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board-designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classifications. The ASU has been applied retrospectively to all periods presented, except for the presentation of the liquidity disclosure for the year ended June 30, 2018. Adoption of the ASU resulted in no changes to the total previously reported net assets.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**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. Promises to give are subject to time restrictions but are expected to be collected within one year of the statement of financial position date.

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

Cash and Cash Equivalents	\$ 1,322,529
Receivables - Net of Allowance for Doubtful Accounts	2,719,360
Promises to Give	<u>180,750</u>
	4,769,594
Less: Net Assets with Donor Restrictions	(390,290)
Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 4,379,304</u></u>

**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 about 75,000 job seekers and more than 1,000 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 IT 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), continues to provide older worker 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

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 3 PROGRAM SERVICES (CONTINUED)**

and training on hiring best practices, customized training, retention support, and hosted hiring events.

The Organization provides professional, compassionate counseling, training, and employment services to people in need – most of whom would otherwise not achieve economic self-sufficiency. It has an exceptional record and strong reputation for serving individuals with multiple barriers to employment.

The Organization also provides invaluable benefits to area employers seeking to hire local talent, improve diversity hiring, reduce retention and turnover costs, and adopt best practices in a variety of human resources and hiring areas.

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**

At June 30, 2019 and 2018, the Organization’s receivables consisted of the following:

	2019	2018
Government Grants	\$ 2,731,149	\$ 2,677,684
Other	2,953	18,455
Receivables, Gross	2,734,102	2,696,139
Less: Allowance for Uncollectible Receivables	14,742	20,120
Total	\$ 2,719,360	\$ 2,676,019

**NOTE 5 LINE OF CREDIT**

On December 31, 2018, the Organization renewed an existing 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. Terms from the previous line of credit agreement entered into October 11, 2017 remain in effect.

The prime rate was 5.50% and 5.00% at June 30, 2019 and 2018, respectively. 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, 2019 and 2018.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**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, 2019 and 2018 were \$193,185 and \$191,619, respectively.

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are as follows:

<u>Funder, Purpose</u>	<u>June 30, 2018 Balance</u>	<u>Support and Revenues</u>	<u>Satisfaction of Restriction</u>	<u>June 30, 2019 Balance</u>
Subject to the Passage of Time:				
United Way	\$ 37,500	\$ 30,750	\$ 37,500	\$ 30,750
Subject to Expenditure for Specified Purpose:				
Bank of America, Veterans Program	52,883	40,000	52,883	40,000
Circle of Service, IT Career Lab	25,000	-	25,000	-
Chicago Community Trust	50,000	25,000	50,000	25,000
Fry Foundation, IT Career	10,000	35,000	18,954	26,046
McCormick Foundation, Veterans Forward Model	104,312	300,000	135,818	268,494
Walmart Foundation, Occupational Training	167,220	-	167,220	-
AARP, Back to Work 50+ Program	49,160	-	49,160	-
Leonard Goodman	20,000	-	20,000	-
	<u>478,575</u>	<u>400,000</u>	<u>519,035</u>	<u>359,540</u>
Total Net Assets With Donor Restrictions	<u>\$ 516,075</u>	<u>\$ 430,750</u>	<u>\$ 556,535</u>	<u>\$ 390,290</u>

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)**

Net assets with donor restrictions are as follows:

<u>Funder, Purpose</u>	<u>June 30, 2017 Balance</u>	<u>Support and Revenues</u>	<u>Satisfaction of Restriction</u>	<u>June 30, 2018 Balance</u>
Subject to the Passage of Time:				
United Way	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500
Subject to Expenditure for Specified Purpose:				
Bank of America, Veterans Program	72,883	30,000	50,000	52,883
Chicago Tribune, IT Career Lab	55,000	-	55,000	-
Circle of Service, IT Career Lab	-	50,000	25,000	25,000
Chicago Community Trust Fry Foundation, IT Career	50,000	50,000	50,000	50,000
McCormick Foundation, Veterans Forward Model	-	35,000	25,000	10,000
Walmart Foundation, Occupational Training	100,482	150,000	146,170	104,312
AARP, Back to Work 50+ Program	408,393	-	241,173	167,220
Leonard Goodman	93,909	13,850	58,599	49,160
	-	20,000	-	20,000
	<u>780,667</u>	<u>348,850</u>	<u>650,942</u>	<u>478,575</u>
Total Net Assets With Donor Restrictions	<u>\$ 818,167</u>	<u>\$ 386,350</u>	<u>\$ 688,442</u>	<u>\$ 516,075</u>

At June 30, 2019 and 2018, the Organization has \$-0- and \$167,220, respectively, of restricted cash which is classified as a current asset within the consolidated statements of financial position. The restricted cash represents cash contributed by the Walmart Foundation, Inc., which is segregated in designated bank accounts and for use exclusively on employer outreach program services.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 8 LEASE COMMITMENTS**

The Organization leases office space and office equipment under noncancelable operating leases which expire through July 31, 2026. Minimum future lease payments required under all noncancelable operating leases are as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2020	\$ 1,124,440
2021	1,130,928
2022	1,118,573
2023	1,128,158
2024	1,134,943
Thereafter	4,474,946
Total	<u>\$ 10,111,988</u>

The Organization is also liable for its proportionate share of increase, if any, of the landlord's total cost for operation of the building. Rent expense for the years ended June 30, 2019 and 2018 was \$1,129,615 and \$1,058,756, respectively, and is included in the Occupancy line within the consolidated statements of functional expenses.

**Subleases**

The Organization has entered into subleasing agreements. Minimum future lease payments to be received on the subleasing agreements are \$170,357, to be received in the year ended June 30, 2020.

Total rental income from these leases was \$599,533 and \$594,662, for the years ended June 30, 2019 and 2018, respectively, and is included in the Other Income line of 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, 2019 and 2018.

The Organization had no noncash investing or financing activities during the years ended June 30, 2019 and 2018.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**NOTE 10 SIGNIFICANT CONCENTRATIONS**

Financial instruments that potentially subject the Organization to a concentration of credit risk consist of cash deposits. The Organization maintains bank accounts at several local banks that are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times, cash balances may exceed federally insured limits; however, the Organization has not experienced any losses in such accounts and limits the exposure to credit risk by maintaining its cash and cash equivalents in highly reputable institutions.

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 88% of total revenues as well as 94% and 98% of gross accounts receivable for the years ended June 30, 2019 and 2018, 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.

**NOTE 12 SUBSEQUENT EVENTS**

Management evaluated subsequent events through September 18, 2019, the date the consolidated financial statements were available to be issued. Events or transactions occurring after June 30, 2019, but prior to September 18, 2019 that provided additional evidence about conditions that existed at June 30, 2019, have been recognized in the consolidated financial statements for the year ended June 30, 2019. Events or transactions that provided evidence about conditions that did not exist at June 30, 2019, but arose before the financial statements were available to be issued have not been recognized in the consolidated financial statements for the year ended June 30, 2019.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,  
an SEC-registered investment advisor. | CliftonLarsonAllen LLP



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

**SINGLE AUDIT REPORTS**

**YEAR ENDED JUNE 30, 2019**



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OUTSOURCING  
AUDIT, TAX, AND  
CONSULTING**

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
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**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, 2019, 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 September 18, 2019.

**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) to determine the 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.

### **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 determination of consolidated financial statement amounts. 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**

Oak Brook, Illinois  
September 18, 2019



**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**

We have audited National Able Network, Inc. and Subsidiary (the Organization) compliance with the types of compliance requirements described 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, 2019. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

***Opinion on Each Major Federal Program***

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, 2019.

**Report on Internal Control Over Compliance**

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

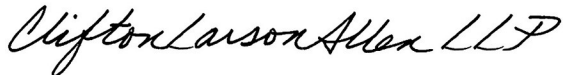
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Organization as of and for the year ended June 30, 2019, and have issued our report thereon dated September 18, 2019, 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**

Oak Brook, Illinois  
September 18, 2019

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Agriculture</b>				
Passed through Illinois Department of Human Services State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	FCSXGO4847	\$ -	\$ 160,063
Total SNAP Cluster (10.561)				<u>160,063</u>
Passed through Illinois Dept. of Commerce & Economic Opportunity Pilot Projects to Reduce Dependency and Increase Work Requirements and Work Effort Under SNAP	10.596	15-762013	-	<u>324,579</u>
Total U.S. Department of Agriculture				<u>484,642</u>
<b>U.S. Department of Housing and Urban Development</b>				
Passed through Cook County - The Partnership Moving to Work Demonstration Program	14.881	603-0029-1	-	<u>41,300</u>
<b>U.S. Department of Labor</b>				
Senior Community Service Employment Program	17.235	* AD-31802-18-55-A-17	-	5,826,342
Passed through Illinois Department of Aging Illinois Senior Community Service Employment	17.235	* V-19-12A	-	2,213,570
Passed through State of Delaware - DHSS Senior Community Service Employment	17.235	* 35-1400-2019-06	-	807,275
Passed through State of Nebraska - DHHS Senior Community Service Employment	17.235	* 43667Y3	-	576,576
Passed through National Asian Pacific Center on Aging Senior Community Service Employment	17.235	* SSP18-0085	-	2,193,319
Passed through Indiana Department of Workforce Development Senior Community Service Employment	17.235	* 27913	-	<u>1,995,826</u>
Total CFDA Number 17.235		*		<u>13,612,908</u>
Passed through Cook County - The Partnership WIOA Adult Program - LWIA 9	17.258	2018-239	-	403,489
WIOA Adult Program - LWIA 8	17.258	2018-236	-	121,342
WIOA Adult Program - LWIA 7	17.258	2018-222	-	298,333
WIOA Adult Program - Sector Center	17.258	2018-2104	-	235,495
WIOA Adult Program - MOU	17.258	LWIA # 5 MOU	-	53,120
Passed through County of Kane WIOA Adult Program	17.258	AA-26777-15-55-A-17	-	<u>72,251</u>
Total CFDA Number 17.258				<u>1,184,030</u>
Passed through County of Kane WIOA Youth Program	17.259	AA-26777-15-55-A-17	-	<u>72,251</u>

*This schedule should be read only in connection with the 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, 2019**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>U.S. Department of Labor (Continued)</b>				
Passed through Cook County - The Partnership				
WIA/WIOA Dislocated Worker Formula Grants - LWIA 9	17.278	2018-339	\$ -	\$ 422,399
WIA/WIOA Dislocated Worker Formula Grants - LWIA 8	17.278	2018-336	-	353,577
WIA/WIOA Dislocated Worker Formula Grants - LWIA 7	17.278	2018-322	-	455,623
WIA/WIOA Dislocated Worker Formula Grants - Sector Center	17.278	2018-3104	-	269,073
WIA/WIOA Dislocated Worker Formula Grants - IE	17.278	18-651007		15,887
WIA/WIOA Dislocated Worker Formula Grants - MOU	17.278	LWIA # 5 MOU	-	53,120
Passed through County of Kane WIOA Dislocated Program	17.278	AA-26777-15-55-A-17	-	72,251
Passed through Illinois Dept. of Commerce & Economic Opportunity				
Talent Pipeline	17.278	17-634059		185,816
WIOA Dislocated Program	17.278	17-654035		46,059
Total CFDA Number 17.278				<u>1,873,805</u>
Total WIOA Cluster (17.258, 17.259, 17.278)				<u>3,130,086</u>
Passed through Illinois Dept. of Commerce & Economic Opportunity				
Trade Adjustment Assistance	17.245	17-651027	-	467,285
Trade Adjustment Assistance	17.245	17-661027	-	1,148,111
Trade Adjustment Assistance	17.245	18-651027	-	986,621
Trade Adjustment Assistance	17.245	16-661027	-	353,655
Trade Adjustment Assistance	17.245	16-651027	-	2,219
Total CFDA Number 17.245				<u>2,957,891</u>
Passed through Illinois Dept. of Commerce & Economic Opportunity Apprenticeship USA Grants	17.285	17-112085	-	83,093
Total U.S. Department of Labor				<u>19,783,978</u>
<b>U.S. Department of Health and Human Services</b>				
Passed through Department of Family and Support Services				
Community Services Block Grant - Veterans Transitional Job Program	93.569	44153-2	-	56,485
	93.569	85624	-	47,060
Total CFDA Number 93.569				<u>103,545</u>
Total U.S. Department of Health and Human Services				<u>103,545</u>
<b>U.S. Department of Education</b>				
Passed through Illinois Community College Board				
Adult Education & Family Literacy	84.002A	F508CD19	-	17,551
<b>Total Expenditures of Federal Awards</b>			<u>\$ -</u>	<u>\$ 20,431,016</u>

\* This program was tested as a major program at June 30, 2019.

*This schedule should be read only in connection with the 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, 2019**

**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, 2019. The information in this SEFA is presented in accordance with the requirements of 2 CFR Part 900, *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 (CONTINUED)  
YEAR ENDED JUNE 30, 2019**

**SECTION II - CONSOLIDATED FINANCIAL STATEMENT FINDINGS**

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

**SECTION III - MAJOR FEDERAL PROGRAMS**

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

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2019**

**SECTION IV - PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

None.

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,  
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

