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December 6, 2022

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, 2020 to June 30, 2021. 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, 2021 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, 2021 AND 2020



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**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
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YEARS ENDED JUNE 30, 2021 AND 2020**

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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, 2021 and 2020, 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 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 audits. 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, 2021 and 2020, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021, 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.



CliftonLarsonAllen LLP

Oak Brook, Illinois
October 22, 2021

NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS	2021	2020
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,009,027	\$ 2,763,905
Receivables - Net of Allowance for Doubtful Accounts of \$7,076 in 2021 and \$9,023 in 2020	4,065,794	3,202,009
Promises to Give	215,300	50,000
Deposits	60,326	60,426
Prepaid Expenses	174,658	104,638
Total Current Assets	7,525,105	6,180,978
FURNITURE AND EQUIPMENT		
Furniture and Equipment	1,012,966	1,006,850
Less: Accumulated Depreciation	(974,600)	(957,282)
Total Furniture and Equipment	38,366	49,568
Total Assets	\$ 7,563,471	\$ 6,230,546
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 669,132	\$ 247,709
Accrued Wages and Vacation Pay	1,216,896	963,750
Accrued Payroll Taxes	74,013	117,050
Program Advances	151,073	49,126
Deferred Services	270,499	-
Other Accruals	62,349	44,849
Current Portion of Long-Term Debt	-	633,290
Current Portion of Deferred Rent Obligation	73,111	62,226
Total Current Liabilities	2,517,073	2,118,000
LONG-TERM LIABILITIES		
Long-Term Debt	-	806,710
Long-Term Deferred Rent Obligation, Net of Current Portion Above	466,422	550,418
Total Long-Term Liabilities	466,422	1,357,128
Total Liabilities	2,983,495	3,475,128
NET ASSETS		
Without Donor Restrictions	4,002,654	2,416,444
With Donor Restrictions	577,322	338,974
Total Net Assets	4,579,976	2,755,418
Total Liabilities and Net Assets	\$ 7,563,471	\$ 6,230,546

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Government Grants and Contracts	\$ 24,049,010	\$ -	\$ 24,049,010
Fees for Services	1,006,351	-	1,006,351
Contributions	181,218	647,300	828,518
Special Events	9,106	-	9,106
Other Income	1,910,339	-	1,910,339
Net Assets Released from Restrictions	408,952	(408,952)	-
Total Revenues	27,564,976	238,348	27,803,324
EXPENSES			
Program Services:			
Client Services	9,826,844	-	9,826,844
Employer Services	14,249,105	-	14,249,105
Total Program Services	24,075,949	-	24,075,949
Supporting Services:			
Management and General	1,750,173	-	1,750,173
Fundraising	152,644	-	152,644
Total Supporting Services	1,902,817	-	1,902,817
Total Expenses	25,978,766	-	25,978,766
CHANGE IN NET ASSETS	1,586,210	238,348	1,824,558
Net Assets - Beginning of Year	2,416,444	338,974	2,755,418
NET ASSETS - END OF YEAR	\$ 4,002,654	\$ 577,322	\$ 4,579,976

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES			
Government Grants and Contracts	\$ 22,613,964	\$ -	\$ 22,613,964
Fees for Services	1,589,602	-	1,589,602
Contributions	78,937	233,114	312,051
Special Events	30,300	-	30,300
Other Income	446,964	-	446,964
Net Assets Released from Restrictions	284,430	(284,430)	-
Total Revenues	<u>25,044,197</u>	<u>(51,316)</u>	<u>24,992,881</u>
EXPENSES			
Program Services:			
Client Services	9,556,795	-	9,556,795
Employer Services	13,083,968	-	13,083,968
Total Program Services	<u>22,640,763</u>	<u>-</u>	<u>22,640,763</u>
Supporting Services:			
Management and General	1,856,070	-	1,856,070
Fundraising	136,152	-	136,152
Total Supporting Services	<u>1,992,222</u>	<u>-</u>	<u>1,992,222</u>
Total Expenses	<u>24,632,985</u>	<u>-</u>	<u>24,632,985</u>
CHANGE IN NET ASSETS	411,212	(51,316)	359,896
Net Assets - Beginning of Year	<u>2,005,232</u>	<u>390,290</u>	<u>2,395,522</u>
NET ASSETS - END OF YEAR	<u>\$ 2,416,444</u>	<u>\$ 338,974</u>	<u>\$ 2,755,418</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,824,558	\$ 359,896
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	17,318	17,030
Paycheck Protection Program Loan Forgiveness	(1,440,000)	-
Effects of Changes in Operating Assets and Liabilities:		
Receivables	(863,785)	(482,649)
Promises to Give	(165,300)	130,750
Other Assets	(69,920)	(6,592)
Accounts Payable	421,423	10,414
Deferred Rent Obligation	(73,111)	(218,987)
Accrued Liabilities	227,609	160,423
Program Advances	101,947	37,752
Net Cash Provided (Used) by Operating Activities	(19,261)	8,037
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Furniture and Equipment	(6,116)	(6,661)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Debt	-	1,440,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(25,377)	1,441,376
Cash and Cash Equivalents - Beginning of Year	2,763,905	1,322,529
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,738,528	\$ 2,763,905

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

	Program Services			Supporting Services		
	Client Services	Employer Services	Total Program Services	Management and General	Fundraising	Total
Salaries, Wages, and Client Compensation	\$ 5,451,847	\$ 13,590,144	\$ 19,041,991	\$ 963,797	\$ 92,808	\$ 20,098,596
Tuition and Fees, on the Job Training Expenses	2,139,472	-	2,139,472	-	-	2,139,472
Occupancy	697,154	281,655	978,809	426,049	336	1,405,194
Postage and Shipping	7,680	12,835	20,515	4,706	212	25,433
Telephone	74,756	84,064	158,820	30,415	1,487	190,722
Office Supplies	29,479	13,678	43,157	15,647	1,675	60,479
Local Transportation	3,158	4,488	7,646	2,171	13	9,830
Equipment Purchases, Rentals, and Repairs	260,208	104,105	364,313	45,209	3,631	413,153
Depreciation Expense	12,390	-	12,390	4,928	-	17,318
Professional Fees and Contract Service Payments	807,299	135,896	943,195	254,751	45,368	1,243,314
Conferences and Meetings	27,885	-	27,885	333	-	28,218
Participant Supplies and Expenses	119,628	6,502	126,130	-	17	126,147
Other Expenses	195,888	15,738	211,626	2,167	7,097	220,890
Total Functional Expenses	<u>\$ 9,826,844</u>	<u>\$ 14,249,105</u>	<u>\$ 24,075,949</u>	<u>\$ 1,750,173</u>	<u>\$ 152,644</u>	<u>\$ 25,978,766</u>

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Program Services			Supporting Services		
	Client Services	Employer Services	Total Program Services	Management and General	Fundraising	Total
Salaries, Wages, and Client Compensation	\$ 5,241,303	\$ 12,578,143	\$ 17,819,446	\$ 978,287	\$ 88,133	\$ 18,885,866
Tuition and Fees, on the Job Training Expenses	1,869,605	-	1,869,605	-	-	1,869,605
Occupancy	660,057	246,923	906,980	541,899	426	1,449,305
Postage and Shipping	8,663	9,078	17,741	3,478	493	21,712
Telephone	79,277	61,038	140,315	26,435	3,546	170,296
Office Supplies	56,466	24,760	81,226	14,891	1,626	97,743
Local Transportation	38,276	52,087	90,363	10,874	708	101,945
Equipment Purchases, Rentals, and Repairs	286,160	17,737	303,897	49,473	3,766	357,136
Depreciation Expense	11,654	-	11,654	5,376	-	17,030
Professional Fees and Contract Service Payments	766,636	91,400	858,036	196,728	35,267	1,090,031
Reference Publications	11,500	-	11,500	407	189	12,096
Conferences and Meetings	19,166	1,223	20,389	855	105	21,349
Participant Supplies and Expenses	333,411	1,579	334,990	-	687	335,677
Other Expenses	174,621	-	174,621	27,367	1,206	203,194
Total Functional Expenses	\$ 9,556,795	\$ 13,083,968	\$ 22,640,763	\$ 1,856,070	\$ 136,152	\$ 24,632,985

See accompanying Notes to Consolidated Financial Statements.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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, 2021 and 2020.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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.

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.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

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.

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 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 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 \$421,572 and \$49,126 that have not been recognized at June 30, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred and are reflected as advance payment in the statement 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.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2021 and 2020.

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, 2021 and 2020, none of this time was considered specialized or enhancing to a nonfinancial asset. Accordingly, no financial adjustment was made.

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.

Adoption of New Accounting Standard

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB has issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB Accounting Standards Codification (ASC) 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity and understandability of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standard (Continued)

The financial statements reflect the application of ASC 606 guidance beginning in 2021. No cumulative-effect adjustment in net assets was recorded as the adoption of ASU 2014-09 did not significantly impact the Organization's reported historical revenue.

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 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:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 3,009,027	\$ 2,763,905
Receivables - Net of Allowance for Doubtful Accounts	4,065,794	3,202,009
Promise to Give	215,300	50,000
Total	<u>7,290,121</u>	<u>6,015,914</u>
Less: Net Assets with Donor Restrictions	<u>(577,322)</u>	<u>(338,974)</u>
Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 6,712,799</u>	<u>\$ 5,676,940</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.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 PROGRAM SERVICES (CONTINUED)

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 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, 2021 and 2020, the Organization’s receivables consisted of the following:

	<u>2021</u>	<u>2020</u>
Government Grants	\$ 4,059,917	\$ 3,202,219
Other	<u>12,953</u>	<u>8,813</u>
Receivables, Gross	4,072,870	3,211,032
Less: Allowance for Uncollectible Receivables	<u>7,076</u>	<u>9,023</u>
Total	<u>\$ 4,065,794</u>	<u>\$ 3,202,009</u>

NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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 3.25% at June 30, 2021 and 2020. 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, 2021 and 2020.

NOTE 6 LONG-TERM DEBT

On April 17, 2020, the Organization received a loan from BMO Harris Bank in the amount of \$1,440,000 to fund potential costs for payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first seven months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration (SBA). Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted by the SBA to the lender or, if the Organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts are subject to forgiveness based on compliance with program requirements and approval by the SBA.

The Organization is following ASC 470, *Debt*, to account for the initial receipts related to the PPP loan. On November 25, 2020, the SBA processed the Organization's PPP Loan forgiveness application and notified BMO Harris Bank the PPP Loan qualified for full forgiveness. Loan proceeds were received by the bank from the SBA on this date. Therefore, the Organization was legally released from the debt and the loan forgiveness has been recorded as a gain on extinguishment of debt, which is included in other income on the 2021 consolidated statement of activities.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Organization's financial position.

NOTE 7 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, 2021 and 2020 were \$214,731 and \$198,618, respectively.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are as follows:

<u>Funder, Purpose</u>	<u>June 30, 2020 Balance</u>	<u>Support and Revenues</u>	<u>Satisfaction of Restriction</u>	<u>June 30, 2021 Balance</u>
Subject to Expenditure for Specified Purpose:				
Bank of America, Veterans Program	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Chicago Community Trust	49,725	135,000	49,725	135,000
McCormick Foundation, Veterans Forward Model	122,558	320,000	243,582	198,976
Illinois Department of Affairs, Veterans Program	26,691	-	26,691	-
Weinberg Foundation, IT Career Lab	100,000	-	23,954	76,046
Chicago Foundation, IT Career Lab and Women's Workforce	-	70,000	25,000	45,000
Retirement Research Foundation, Senior Advocacy	-	80,300	-	80,300
Keri Blackwell, Veterans Program	-	1,000	-	1,000
Alliant, Vets Forward Program	-	1,000	-	1,000
	<u>338,974</u>	<u>647,300</u>	<u>408,952</u>	<u>577,322</u>
Total Net Assets With Donor Restrictions	<u>\$ 338,974</u>	<u>\$ 647,300</u>	<u>\$ 408,952</u>	<u>\$ 577,322</u>

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions are as follows:

<u>Funder, Purpose</u>	<u>June 30, 2019 Balance</u>	<u>Support and Revenues</u>	<u>Satisfaction of Restriction</u>	<u>June 30, 2020 Balance</u>
Subject to the Passage of Time:				
United Way	\$ 30,750	\$ -	\$ 30,750	\$ -
Subject to Expenditure for Specified Purpose:				
Bank of America, Veterans Program	40,000	40,000	40,000	40,000
Chicago Community Trust	25,000	50,000	25,275	49,725
Fry Foundation, IT Career Lab	26,046	-	26,046	-
McCormick Foundation, Veterans Forward Model	268,494	-	145,936	122,558
Illinois Department of Affairs, Veterans Program	-	38,114	11,423	26,691
Weinberg Foundation, IT Career Lab	-	100,000	-	100,000
BMO Harris Bank, Veterans Program	-	5,000	5,000	-
	<u>359,540</u>	<u>233,114</u>	<u>253,680</u>	<u>338,974</u>
Total Net Assets With Donor Restrictions	<u>\$ 390,290</u>	<u>\$ 233,114</u>	<u>\$ 284,430</u>	<u>\$ 338,974</u>

NOTE 9 LEASE COMMITMENTS

The Organization leases office space and office equipment under noncancelable operating leases which expire through February 28, 2031. Minimum future lease payments required under all noncancelable operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 1,092,673
2023	1,103,558
2024	1,114,443
2025	1,125,328
2026	1,136,213
Thereafter	2,213,406
Total	<u>\$ 7,785,621</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, 2021 and 2020 was \$1,167,198 and \$1,187,527, respectively, and is included in the Occupancy line within the consolidated statements of functional expenses.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 9 LEASE COMMITMENTS (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>
2022	\$ 157,308
2023	157,308
2024	157,308
2025	157,308
2026	91,763
Total	<u>\$ 720,995</u>

Total rental income from these leases was \$425,216 and \$373,377, for the years ended June 30, 2021 and 2020, respectively, and is included as part of other Income on the consolidated statements of activities.

NOTE 10 CASH FLOW DISCLOSURES

There was no cash paid for interest or income taxes during the years ended June 30, 2021 and 2020.

The Organization had no noncash investing or financing activities during the years ended June 30, 2021 and 2020.

NOTE 11 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 85% and 89% of total revenues as well as 95% and 99% of gross accounts receivable for the years ended June 30, 2021 and 2020, respectively).

NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 12 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.

In addition, the World Health Organization has declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its operations and financial results, including potential negative effects on the Organization's workforce. Management believes the Organization is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

NOTE 13 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>2021</u>	<u>2020</u>
Revenue Recognized Over Time:		
Fee for Services	<u>\$ 1,006,351</u>	<u>\$ 1,589,602</u>

At June 30, advanced collections on these contracts consisted of the following amounts:

	<u>2021</u>	<u>2020</u>
Deferred Services	<u>\$ 270,499</u>	<u>\$ -</u>

NOTE 14 SUBSEQUENT EVENTS

Management evaluated subsequent events through October 22, 2021, the date the consolidated financial statements were available to be issued. Events or transactions occurring after June 30, 2021, but prior to October 22, 2021, that provided additional evidence about conditions that existed at June 30, 2021, have been recognized in the consolidated financial statements for the year ended June 30, 2021. Events or transactions that provided evidence about conditions that did not exist at June 30, 2021, 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, 2021.

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 15 RECENT ACCOUNTING PRONOUNCEMENTS

Leases

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and finance leases with lease terms greater than one year. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The guidance will initially be applied using a modified retrospective approach. The amendments in the guidance will be effective for the year ending June 30, 2023. Early adoption is permitted.

Contributed Nonfinancial Assets

In September 2020, the FASB issued amended guidance 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 amendments in the guidance will be effective for the year ending June 30, 2022. Early adoption is permitted.

Management is evaluating the impact of these pronouncements on the Organization's consolidated financial statements.

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

SINGLE AUDIT REPORTS

YEAR ENDED JUNE 30, 2021



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**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, 2021, 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 22, 2021.

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.

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

Oak Brook, Illinois
October 22, 2021



**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, 2021. 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; 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, 2021.

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, 2021, and have issued our report thereon dated October 22, 2021, 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
October 22, 2021

**NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture:				
Passed Through Illinois Department of Human Services State Administrative Matching Grants for the Supplemental Supplemental Nutrition Assistance Program	10.561	FCSXGO4847	\$ 359,718	\$ 777,496
Total SNAP Cluster (10.561)			<u>359,718</u>	<u>777,496</u>
Total U.S. Department of Agriculture			<u>359,718</u>	<u>777,496</u> *
U.S. Department of Housing and Urban Development:				
Passed Through Cook County Partnership Moving to Work Demonstration Program	14.881	603-0029-1	-	44,126
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>44,126</u>
U.S. Department of Labor:				
Senior Community Service Employment Program	17.235		-	5,716,889
Passed Through Illinois Department of Aging Illinois Senior Community Service Employment	17.235	V9-20-12A	-	2,755,817
Passed Through State of Delaware - Delaware Health and Social Services Senior Community Service Employment	17.235	35-1400-2021-11	-	804,049
Passed Through State of Nebraska - Department of Health and Human Services Senior Community Service Employment	17.235	56075 Y3	-	570,335
Passed Through National Asian Pacific Center on Aging Senior Community Service Employment	17.235	AD35216X70	-	2,329,826
Passed Through Indiana Department of Workforce Development Senior Community Service Employment	17.235	45421	-	1,837,711
Total CFDA Number 17.235			<u>-</u>	<u>14,014,627</u> *
Passed Through Cook County - The Partnership WIOA Adult Program - LWIA 9	17.258	2020-239	-	380,764
WIOA Adult Program - LWIA 8	17.258	2020-236	-	170,783
WIOA Adult Program - LWIA 7	17.258	2020-222	-	276,441
WIOA Adult Program - Sector Center	17.258	2020-2104	-	182,671
WIOA Adult Program - MOU	17.258	LWIA # 5 MOU	-	53,120
Passed Through Heartland Workforce Solutions, INC. WIOA Adult Program	17.258	01-2019	-	70,493
WIOA Adult Program	17.258	01-2019	-	1,499,037
Total CFDA Number 17.258			<u>-</u>	<u>2,633,309</u>
Passed Through Cook County - The Partnership Youth In-School Program - Sector Center	17.259	2020-4104	-	20,340
Youth Out of School Program - Sector Center	17.259	2020-5104	-	20,340
Total CFDA Number 17.259			<u>-</u>	<u>40,680</u>

* This program was tested as a major program at June 30, 2021.

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, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Labor (Continued):				
Passed Through Cook County - The Partnership				
WIA/WIOA Dislocated Worker Formula Grants - LWIA 9	17.278	2020-339	\$ -	\$ 416,692
WIA/WIOA Dislocated Worker Formula Grants - LWIA 8	17.278	2020-336	-	277,704
WIA/WIOA Dislocated Worker Formula Grants - LWIA 7	17.278	2020-322	-	436,288
Dislocated Worker Formula Grants - Sector Center	17.278	2020-3104	-	240,714
WIA/WIOA Dislocated Worker Formula Grants - MOU	17.278	LWIA # 5 MOU	-	53,120
Passed Through Heartland Workforce Solutions, INC.				
WIA/WIOA Dislocated Worker Formula	17.278	01-2019	-	70,493
WIA/WIOA Dislocated Worker Formula	17.278	01-2019	-	142,167
Passed Through Illinois Dept. of Commerce and Economic Opportunity				
WIOA Dislocated Worker	17.278	19-651027	-	275,267
Total CFDA Number 17.278			-	1,912,444
Total WIOA Cluster (17.258, 17.259, 17.278)			-	4,586,433
Passed Through Cook County - The Partnership				
NEG Disaster Recovery Plan	17.277	312-339	-	50,631
NEG Disaster Recovery Plan	17.277	312-322	-	21,508
NEG Employment Recovery	17.277	313-339	-	56,046
Total CFDA Number 17.277			-	128,185
Passed Through Illinois Department of Commerce and Economic Opportunity				
Trade Adjustment Assistance	17.245	18-661027	-	434,173
Trade Adjustment Assistance	17.245	19-661027	-	1,399,343
Total CFDA Number 17.245			-	1,833,516
Homeless Veterans' Reintegration Training and Placement Program	17.805		-	370,311
Passed Through Illinois Department of Commerce and Economic Opportunity				
Trade Adjustment Act - Apprentice	17.285	17-112085	-	220,645
Trade Adjustment Act - Apprentice	17.285	19-638001	-	95,605
Total CFDA Number 17.285			-	316,250
Total U.S. Department of Labor			-	21,249,321
U.S. Department of Health and Human Services:				
Passed Through City of Chicago Department of Family and Support Services				
Community Services Block Grant -Veterans Transitional Job	93.569	PO#85624	-	162,643
Total CFDA Number 93.569			-	162,643
COVID-19 Pandemic Health Navigator Regional Coordinator	93.323	511-0022	-	518,794
Total CFDA Number 93.323			-	518,794
Total U.S. Department of Health and Human Services			-	681,437

* This program was tested as a major program at June 30, 2021.

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, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Treasury:				
Passed Through Cook County - The Partnership CARES COVID-19 Recovery	21.027	512-222	\$ -	\$ 123,230
Passed Through Heartland Workforce Solutions, INC. COVID Response Grant	21.027	01-2019	-	127,295
FNBO COVID-19 Grant	21.027	01-2019	-	6,213
Total CFDA Number 21.027			-	256,738
Passed Through Public Health County of Hennepin of Minnesota 2020 CARES Grant	21.019	HS00000619	-	68,739
Total CFDA Number 21.019			-	68,739
Total U.S. Department of Treasury			-	325,477
Total Expenditures of Federal Awards			\$ 359,718	\$ 23,077,857

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, 2021

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, 2021. 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
YEAR ENDED JUNE 30, 2021**

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

CFDA Number(s)	Name of Federal Program or Cluster
17.235	Senior Community Service Employment Program
10.561	Supplemental Nutrition Assistance Program (SNAP Cluster)

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, 2021**

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).

NATIONAL ABLE NETWORK, INC. AND SUBSIDIARY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2021

Section IV – Prior Year Findings and Questioned Costs

None.