

EDUCATION FOR EMPLOYMENT

Financial Statements

December 31, 2022

EDUCATION FOR EMPLOYMENT

December 31, 2022

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Independent Auditor’s Report

To the Board of Directors
Education for Employment
Washington, D.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Education for Employment (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Education for Employment as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Education for Employment and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 of the financial statements, in 2022, Education for Employment adopted Financial Accounting Standards Board’s Accounting Standards Codification 842, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Education for Employment’s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Education for Employment's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Education for Employment's ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023 on our consideration of Education for Employment'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 Education for Employment'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 Education for Employment's internal control over financial reporting and compliance.

Edelstein & Company LLP

Boston, Massachusetts
June 28, 2023

EDUCATION FOR EMPLOYMENT

Statement of Financial Position December 31, 2022

Assets:

Cash	\$ 2,632,845
Grants receivable	133,231
Government contracts receivable	647,499
Pledges receivable	173,550
Other receivables	12,611
Prepaid expenses	76,791
Operating lease right-of-use assets, net	65,488
Furniture and equipment, net	8,737
Intangible assets, net	12,250
Deposits	13,684

Total assets \$ 3,776,686

Liabilities and net assets

Liabilities:

Accounts payable	\$ 51,653
Accrued expenses	194,240
Grants payable	246,782
Operating lease liabilities	85,284

Total liabilities 577,959

Net assets:

Without donor restrictions	682,874
With donor restrictions	2,515,853

Total net assets 3,198,727

Total liabilities and net assets \$ 3,776,686

EDUCATION FOR EMPLOYMENT

Statement of Activities and Changes in Net Assets For the Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:			
Contributions and grants	\$ 2,000,584	\$ 2,241,613	\$ 4,242,197
Other government grants	910,801	-	910,801
Government funded subcontracts	494,509	-	494,509
In-kind contributions	262,818	-	262,818
Interest income	2,223	-	2,223
Net assets released from restrictions	2,351,315	(2,351,315)	-
Total support and revenue	6,022,250	(109,702)	5,912,548
Expenses:			
Program services	4,496,464	-	4,496,464
Management and general	1,372,565	-	1,372,565
Fundraising	203,684	-	203,684
Total expenses	6,072,713	-	6,072,713
Changes in net assets	(50,463)	(109,702)	(160,165)
Net assets, beginning of year	733,337	2,625,555	3,358,892
Net assets, end of year	\$ 682,874	\$ 2,515,853	\$ 3,198,727

EDUCATION FOR EMPLOYMENT

Statement of Cash Flows For the Year Ended December 31, 2022

Cash flows from operating activities:

Change in net assets	\$ (160,165)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	14,914
Amortization on operating lease right-of-use assets	128,059
Changes in operating assets and liabilities:	
Grants receivable	744,143
Government contracts receivable	(58,669)
Pledges receivable	(80,450)
Other receivables	(9,415)
Prepaid expenses	(31,077)
Deposits	11,211
Accounts payable	(19,907)
Accrued expenses	58,456
Grants payable	(66,129)
Operating lease liabilities	(164,849)

Net cash provided by operating activities

366,122

Cash flows used in investing activities:

Purchase of equipment	<u>(2,575)</u>
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Increase in cash

363,547

Cash, beginning of year

2,269,298

Cash, end of year

\$ 2,632,845

Supplemental Disclosures:

Right-of-use assets obtained in exchange for operating lease obligations	\$ 193,546
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Statement of Functional Expenses

For the Year Ended December 31, 2022

	Program Services	Management and General	Fundraising	Total
Grants	\$ 2,840,821	\$ -	\$ -	\$ 2,840,821
Salaries and compensation	1,040,833	572,637	109,731	1,723,201
Consulting	188,448	74,925	37,093	300,466
Accounting	-	287,089	-	287,089
Payroll taxes and benefits	180,035	65,179	23,873	269,087
Travel	66,093	122,769	8,701	197,563
Technology	57,095	127,491	-	184,586
Occupancy	119,849	4,811	15,189	139,849
Office expenses	3,290	47,163	4,067	54,520
Insurance	-	18,188	-	18,188
Depreciation and amortization	-	14,914	-	14,914
Marketing	-	5,237	5,030	10,267
Legal	-	11,510	-	11,510
Telephone	-	9,015	-	9,015
Recruitment	-	5,948	-	5,948
Staff training and development	-	5,139	-	5,139
Miscellaneous	-	550	-	550
	<u>\$ 4,496,464</u>	<u>\$ 1,372,565</u>	<u>\$ 203,684</u>	<u>\$ 6,072,713</u>

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

1. Organization and Purpose

Education for Employment (the “Organization” or “EFE”) is a nonprofit organization whose mission is to create employment opportunities for young people in the Middle East and North Africa (“MENA”) through career training in vocational, technical, managerial and professional skills. It derives its revenues primarily from contributions from individuals and from grants and contracts from private foundations, the federal government, and corporate partners.

The Organization works in collaboration with non-government organizations (“NGO”) in a variety of countries in the Middle East and Africa, by providing funding to support the local NGO’s programs. The NGOs are independent entities that are subject to external audit requirements unique to the countries in which they operate. The programs are described as follows:

EFE Egypt

Education for Employment-Egypt (“EFE-Egypt”) was founded in 2007 to provide youth with a brighter future and help businesses find the skilled entry-level employees their industries demand. To achieve this mission, EFE-Egypt delivers Job Placement Training Programs (“JPTP”) to connect youth with employment opportunities and Career Directions (“CD”) programming to provide youth with job search and employability skills. In 2022, EFE-Egypt continued to work with Boeing and support youth employment through the provision of JPTP trainings. In addition, a project with Visa Foundation to train and place young women in emerging sectors along with an IT focus project support by JP Morgan Chase Foundation strived to train young women in IT skills. EFE-Egypt continues to provide trainings to Egypt youth despite the COVID situation.

EFE Jordan

Education for Employment-Jordan (“EFE-Jordan”) was established in 2006 and has trained a large number of youth in its Job training and Placement Entrepreneurship and Pathways to a Job programs. In 2022, EFE-Jordan continued implementing the Women’s Empowerment through Entrepreneurship (“WEE”) project funded by the U.S. Department of State through the U.S. Embassy in Amman and delivered in partnership with International Strategic Management, Inc. (“ISM”). Over two years, the project will provide advanced training, personalized coaching and mentorship and retail events for women entrepreneurs, culminating in a week-long exchange program for various participants. In 2022, numerous women entrepreneurs completed the initial round of training with EFE-Jordan and received personalized coaching from a branding and quality assurance consultant. Various entrepreneurs were selected to receive advanced training and coaching in business expansion strategies from ISM and completed this program component. Other participating entrepreneurs received mentorship from EFE-Jordan. The EFE-Jordan, EFE and ISM teams began preparations for retail activities and the exchange program, both of which will take place in 2023.

EFE Palestine

Education for Employment-Palestine (“EFE-Palestine”) is a Palestinian civil society organization that provides demand-driven training for youth with limited opportunities. Founded in 2006 and operating in the West Bank, East Jerusalem and Gaza, EFE-Palestine partners with local businesses and universities to place youth in jobs and support young entrepreneurs. In 2022, EFE-Palestine continued programming for the Scale Up and Thrive project, funded by the Palestinian Affairs Unit at the U.S. Department of State through the U.S. Embassy. The project aims to train a minimum of 40 Palestinian women in advanced entrepreneurship and will culminate in a week-long exchange program for five beneficiaries, in partnership with ISM.

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

1. Organization and Purpose (continued)

EFE Palestine (continued)

During 2022, EFE-Palestine and ISM completed all training activities for the Scale Up & Thrive project. Numerous participants from Gaza, East Jerusalem and the West Bank completed training with EFE-Palestine, and many other participants received personalized coaching from a branding and quality assurance consultant. Some of the original participants were selected to receive advanced training and coaching from ISM, and some participants completed this second phase. EFE-Palestine, ISM and EFE held two Virtual Retail Events to allow the participants to highlight their products and services to potential customers. The project team also selected the five finalists to participate in the exchange program to the United States, which was originally scheduled for November 2022. Due to delays in issuing visas and the need to comply with U.S. Government requirements surrounding COVID-19 vaccination for foreign travelers, this exchange was postponed to March 2023 and the U.S. Embassy in Jerusalem approved a no-cost extension for the grant through June 30, 2023.

EFE Tunisia

Since its inception in 2012, Education for Employment-Tunisie (“EFE-Tunisie”) has connected youth to improved labor market outcomes through targeted trainings. EFE-Tunisie partners with public universities, government institutions, and private sector actors in order to develop tailored technical, soft skills, and entrepreneurship trainings across all of the regions of Tunisia. In 2022, EFE-Tunisie, with prime implementer Chemonics, continued implementing its first contract under the five-year USAID/Tunisia Business Reform and Competitiveness Program II (“BRCP II”) (later renamed Jobs, Opportunities and Business Successes (“JOBS”)). Under JOBS, EFE-Tunisie is working to improve the match between skills demanded by the labor market and the training provided by educational institutions with two primary activities: curricula reform and capacity building of university career centers. EFE-Tunisie also completed implementation of the Supporting Job Creation for Young Tunisians from Marginalized Communities project, which was supported by the U.S. Department of State, Bureau of Near Eastern Affairs’ Office of Assistance Coordination (“NEA-AC”) from 2017-2022. The NEA-AC project provided youth with demand-driven job and entrepreneurship training as well as strengthened the capacity of business development organizations and vocational training centers to support youth. Under NEA-AC, EFE-Tunisie has trained many students in various vocational sectors, supported numerous entrepreneurs starting their businesses, and launched an incubation hub for new IT businesses in southern Tunisia.

EFE KSA

Since its inception in 2016, Education for Employment-Saudi Arabia (“EFE-KSA”) has connected Saudi youth with employment skills and opportunities while providing skilled young talent to businesses in Saudi Arabia. EFE-KSA works to develop practical training programs aligned with their workforce requirements, qualifying job-ready and retainable employees. In 2022, EFE-KSA started work on the League of Women IT project with JPMorgan Chase Foundation to provide entry-level job training and placement and a IT skills training. EFE-KSA continued providing employability skills to Saudi youth through the Training For the Digital Future program funded by Accenture. EFE-KSA provided digital and employability skills to Saudi youth through the Decent Jobs for the Digital Future project, continuing an ongoing partnership with the Citi Foundation. Also, EFE-KSA continued to provide online trainings to mitigate the impact of COVID-19.

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

1. Organization and Purpose (continued)

EFE also has maintained a branch office in the United Arab Emirates (“UAE”) at the International Humanitarian City (License No. 150117). The UAE branch works to further EFE’s mission to create employment opportunities for youth across the MENA region through engaging with leading partners to create a tangible impact in regional youth employment. The branch office’s goal is to raise visibility around the positive potential and importance of youth employment to inspire collective action to reach EFE’s vision and strategy. Operational expenses incurred by this branch in 2022 were \$258,652.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets and support and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature. Those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. The Organization did not have any net assets with donor restrictions that are perpetual in nature as of December 31, 2022, or for the year then ended.

Recently Adopted Accounting Pronouncements

On January 1, 2022, the Organization adopted Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) No. 2020-07: *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (“ASU 2020-07”), which improves transparency in the reporting of contributed nonfinancial assets. ASU 2020-07 requires a nonprofit organization to present contributed nonfinancial assets as a separate line item in the statement of activities and changes in net assets, apart from contributions of cash or other financial assets. It also requires a nonprofit organization to disclose contributed nonfinancial assets recognized within the statement of activities disaggregated by category that depicts the type of contributed nonfinancial assets, qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period, a description of any donor-imposed restrictions associated with the contributed nonfinancial assets, and the valuation techniques and inputs used to arrive at a fair value measure.

ASU 2020-07 was adopted on a retrospective basis and did not result in a significant change in the judgment or timing associated with the recognition of revenue for the Organization. As such, the adoption of ASU 2020-07 did not result in a cumulative adjustment as of January 1, 2022, and it did not have a material impact on the Organization’s financial statements.

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Recently Adopted Accounting Pronouncements (continued)

On January 1, 2022, the Organization adopted FASB's ASU 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). The objective of ASU 2016-02, along with several related ASUs issued subsequently, is to increase the transparency and comparability between organizations that enter into lease agreements. For leases, the key difference of the new accounting codification from the previous guidance (Topic 840) is the recognition of right-to-use ("ROU") assets and lease liabilities on the statement of financial position for all leases with original lease terms greater than twelve months. Topic 842 requires disclosures to meet the objective of enabling users of the financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

As part of the transition to the new accounting codification under Topic 842, the Organization elected to measure and recognize leases that existed at, or were entered into after January 1, 2022 using the modified retrospective approach, through a cumulative effect adjustment if the amount is material. For leases existing at the effective date, the Organization elected the package of three transaction practical expedients and therefore, did not reassess whether an arrangement is or contains a lease, did not reassess lease classification, and did not reassess what qualifies as an initial direct costs. In addition, the Organization also elected to use a risk-free rate in lieu of determining the Organization's incremental borrowing rate to determine the lease liabilities, as a practical expedient.

The adoption of Topic 842 resulted in the recognition of lease liabilities as of January 1, 2022 of \$250,133, which represented the present value of the remaining operating lease payments of \$254,802, discounted using a risk free rate of 2.33% (the effective risk free rate for a period comparable to the original lease term at the lease commencement date), and the ROU operating lease assets of \$193,547, which represented the operating lease liabilities of \$250,133 adjusted for previously recorded deferred rent of \$56,586. It did not result in a material cumulative adjustment to the Organization's net assets as of January 1, 2022.

Leases

At inception, the Organization determines whether an arrangement is or contains a lease. ROU assets represent the Organization's right to use leased assets over the term of the lease. Lease liabilities represent the Organization's contractual obligation to make lease payments over the lease term. Operating leases are included in operating right-to-use assets and lease liabilities on the statements of financial position. The Organization has no financing leases.

For operating leases, ROU assets and lease liabilities are recognized at the commencement date of each of the respective leases and are measured at the present value of the lease payments over the lease term. The Organization uses the rate implicit in the lease if it is determinable. When the rate implicit in the lease is not determinable, the Organization uses a U.S. Treasury risk-free rate that is comparable to the lease term at the commencement date of the lease to determine the present value of the lease payments. ROU assets for operating leases are calculated as the present value of the lease payments plus initial direct costs, plus any prepayments less any lease incentives received.

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Leases (continued)

Lease terms may include renewal or extension options to the extent they are reasonably certain to be exercised without applying hindsight. The assessment of whether renewal or extension options are reasonably certain to be exercised is made at lease commencement. Lease expense is recognized on a straight-line basis over the lease term. The Organization may have lease arrangements with lease and non-lease components, which generally are accounted for separately. The Organization has elected to treat the lease and non-lease components as a single lease component. There may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments, which are comprised of share of real estate taxes, utilities and cleaning fees in portion to the space leased by the Organization, are recognized as a component of occupancy expenses in the statements of functional expenses in which the obligation for those payments were incurred.

Cash

Cash consists of various checking accounts and money market deposits in a bank.

Government Contracts, Grants and Pledges Receivable

Government contracts and certain grants receivable consist of requisition invoices for expenditures incurred in subcontractor agreements and grants funded by federal government agencies. Grants and pledges expected to be collected within one year are reported at their net realizable value. Grants and pledges receivable that are expected to be collected in future years are reported at the net present value of estimated future cash flows. Other contracts receivable are amounts that management expects to collect on outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and a corresponding reserve based on its assessment of the current status of individual accounts. There was no allowance for doubtful accounts recorded at December 31, 2022 as the entire balance in these accounts has been deemed by management to be fully collectible.

Furniture and Equipment

Furniture and equipment are stated at cost, net of accumulated depreciation. Additions that are expected to have long-term benefit in excess of \$5,000 are capitalized. Expenditures for maintenance and repairs are charged to expense when incurred. Depreciation is computed using the straight-line method over the estimated useful lives of these assets which is five years.

Intangible Assets

Intangible assets, consist of various off-the-shelf software applications and customized program systems, and website development costs which are capitalized if future benefits are deemed to exist beyond one year from the financial statement date. These costs are amortized using the straight-line method over an estimated useful life of three years.

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Impairment of Long-Lived Assets

Long-lived assets, such as furniture and equipment and intangible assets are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Organization assesses factors such as significant under performance of its operations in relation to expectations, significant negative industry or economic trends, and utilization of services, or carrying costs in deciding whether to perform an impairment review. Based on these qualitative factors, the Organization believed an impairment review was not necessary during year ended December 31, 2022.

Grants Payable

The Organization records a liability for unconditional grants when they have been approved by management. The Organization makes grants to support the local NGOs' programs and requires recipients to submit expenses incurred and financial reports. Grants that are considered conditional are recorded when the terms of such conditions/barriers are met or overcome.

Support and Revenue

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Grants and contributions that are classified as support with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the program restriction or expiration of the time restriction. The Organization has elected to report any grants and contributions with donor restrictions whose restrictions are met in the same reporting period as support without donor restrictions.

Support and revenue related to contributions, gifts and grants is recognized as revenue in the period in which the donor's commitment is made, if unconditional. Conditional gifts, contributions and grants are recognized when performance and/or control barriers are met by the Organization.

Under the terms of cost sharing and reimbursement agreements, government grants are recognized as revenue as expenses are incurred and subgrants are paid to the local NGO.

A substantial portion of the Organization's revenue relates to subcontracts with certain third-party entities funded by federal government agencies. The Organization's services provided are highly customized to local needs and are often carried out by the local NGO, and the benefits are delivered over time. Under the terms of these subcontract agreements, the Organization follows performance and monitoring criteria as set and stipulated, and the Organization is compensated under a cost-reimbursement plus a fixed fee basis. The revenue is recognized by the Organization as expenditures are spent continuously over time during the contract performance period which approximates the time and effort spent on the contracts.

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Notes to Financial Statements

2. Summary of Significant Accounting Policies (continued)

Support and Revenue (continued)

The Organization receives various types of in-kind support in the form of contributed services and other assets. Contributed services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills as provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received.

Interest income consists of interest earned on checking accounts and money market deposits.

Functional Allocation of Expenses

The costs of operating the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Expenses that can be identified with a specific program and supporting services are reported directly according to their natural expenditure classification. However, personnel expenses, occupancy and certain office overhead costs are allocated among the programs and supporting services based on the time and effort by each of the employees who provided services to the Organization.

Use of Estimates and Subsequent Events

The presentation of 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 contingencies at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounting estimates include functional allocation of certain expenses and allowance for doubtful accounts for government contracts, grants and pledges receivable.

The Organization's management has evaluated the effect that subsequent events may have on these financial statements. Management's evaluation was completed on June 28, 2023, the date these financial statements are available to be issued. No events have occurred subsequent to the statement of financial position date and through the date of evaluation that meet the criteria required for disclosure or accrual.

Income Taxes

The Organization operates as a tax-exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal income taxes. The Organization is also exempt from income taxes in the various states in which it is registered.

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

3. Availability and Liquidity

The Organization's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use other than expenditures in conduct of its programs, within one year of the statement of financial statement position date at December 31, 2022, are as follows:

Cash	\$ 2,632,845
Grants receivable	133,231
Government contract receivable	647,499
Pledges receivable	98,550
Other receivables	12,611
Financial assets available to meet general expenditures, as defined below, within one year	<u>\$ 3,524,736</u>

For purposes of analyzing resources available to meet general expenditures within one year, the Organization considers all expenditures related to its on-going programs, as well as the conduct of services undertaken to support those programs to be general expenditures. The Organization has identified a financial goal of establishing and maintaining sufficient operating funds in a bank – an imperative for sustainability of program delivery and organizational fiscal health.

4. Pledges and Grants Receivable

Pledges and grants receivable of \$231,781 at December 31, 2022 and 2021 was collected/expected to be collected by the Organization within one year of the date of the statements of financial position. Pledges receivable of \$75,000 at December 31, 2022 were expected to be collected by the Organization between one to five years from the date of the statement of financial position. The present value discount of these future pledge receipts is immaterial and therefore, is not recorded on the accompanying financial statements.

Grants receivable from government and non-government sources are stated at the amount management expects to collect on outstanding balances. Reimbursements for government grant expenditures are subject to government agency approval based on compliance with federal grant award provisions. Pledges receivable of \$173,550 at December 31, 2022 were all from individual, foundation and corporate donors.

Grants receivable consisted of the following at December 31, 2022:

Government agencies	\$ 109,829
Non-governmental sources	23,402
	<u>\$ 133,231</u>

As of December 31, 2022, the Organization has been awarded approximately \$1,192,167 of grant commitments from non-government sources that are conditional on the progress of the programs being funded. These commitments will be recognized as support when the conditional barrier stipulated by the donors or grantors have been overcome or met by the Organization. In addition, the Organization has also been awarded approximately \$441,535 of grant or subcontract commitments from federal government sources that are conditional on the Organization incurring budgeted expenditures subject to review and approval under specific government rules and regulations, including subgrants and subcontractor expenditures.

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Notes to Financial Statements

5. Furniture, Equipment and Intangible Assets

Furniture and equipment consisted of the following at December 31, 2022:

Furniture	\$	9,312
Equipment		60,389
Total furniture and equipment		<u>69,701</u>
Less - accumulated depreciation		60,964
	\$	<u><u>8,737</u></u>

Intangible assets consisted of the following at December 31, 2022:

Computer software	\$	260,970
Website development costs		109,000
		<u>369,970</u>
Less - accumulated amortization		357,720
	\$	<u><u>12,250</u></u>

Depreciation expense for the year ended December 31, 2022 was \$2,664. Amortization expense for the year ended December 31, 2022 was \$12,250.

Website development costs were fully amortized at December 31, 2022, and amortization of computer software costs for the next fiscal year ending December 31, 2023 will be \$12,250.

6. In-Kind Contributions

The Organization received the following in-kind contributed services during the year ended December 31, 2022:

Accounting and other administrative services	\$	250,000
Legal		11,510
Trademark services		1,308
	\$	<u><u>262,818</u></u>

The in-kind contributed services are reported at the fair value of these services provided by the accounting professionals and attorneys and are based on the number of service hours and the market rate which otherwise would be charged by these professionals. Both the contributions and off-setting accounting and legal expenses for these amounts have been reported in the statement of activities and changes in net assets. These in-kind contributions were provided to the Organization without any donor restrictions.

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

7. Lease Commitments

The Organization executed a lease for office space located in Washington, D.C. through June 30, 2023. The lease agreement requires payments of minimum monthly rent plus certain other operating costs. The lease provided for rent abatement during the initial six months of the lease term through October 2019, and monthly rent payments escalate over the term of the lease which started at \$13,180 per month. In 2021, tenant credits of approximately \$56,000 were given to the Organization due to the relocation of the leased office space within the same building requested by the landlord. Operating costs (non-lease component) include items such as share of real estate taxes, utilities, and cleaning fees. During the year ended December 31, 2022, lease cost of \$132,144 for the office space, which includes \$128,059 of amortization of ROU assets and \$4,086 of accretion of the lease liabilities, is included in the occupancy expense on the statement of functional expenses for the year ended December 31, 2022. Variable non-lease operating costs of \$684 are also included in the occupancy expense on the statement of functional expenses for the year ended December 31, 2022.

Cash paid for amounts included in the measurement of the lease liability for the year ended December 31, 2022 was \$168,935.

As of December 31, 2022, undiscounted operating lease liability maturities are as follows:

Year ending December 31, 2023	\$	85,868
Less: imputed interest		(584)
Lease liabilities at December 31, 2022	\$	<u>85,284</u>

The remaining lease term of the Organization's operating office lease in Washington, D.C. is six months. The discount rate of the Organization's operating office lease is 2.33%, which was based on the risk free rate using a U.S. Treasury rate with a comparable term of the lease at the commencement date of the lease.

The Organization has a lease agreement for branch office space located at the International Humanitarian City in Dubai, UAE through May 18, 2023 with an annual rent of approximately \$3,800 per year. The lease is accounted for under ASC 840 in 2022 due to its immateriality to the financial statements.

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

8. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31, 2022:

Vitalization and Youth Empowerment in Gaza	\$	722,736
Pathways to Progress		488,628
Other programs in the MENA region		388,815
League of women in tech-future jobs		169,831
Employment Beyond Boundaries - Virtual Jobs for Vulnerable Youth in Jordan and Palestine		164,323
POWER Project: Providing Opportunities for Work and Empowering Resilience project		125,299
Time restricted grants		100,000
Training for a Digital Future project		98,794
Skills for Success - Pathways to youth employment		58,386
Gulf program management		45,595
Rebuilding Livelihoods - economic impact in Gaza and rebuilding businesses		35,279
Economically empowering Egyptian young women		34,262
Job placement training in Saudi Arabia and Bahrain		19,262
New opportunities for young Egyptian women in health care and information technology		17,831
Catalyst Fund		17,495
Job training, entrepreneurship and Pathways program in Palestine and Jordan		13,878
Women's entrepreneurship program		9,418
EMEA community engagement		6,021
	\$	<u>2,515,853</u>

Net assets released from donor restrictions during the year ended December 31, 2022 were as follows:

POWER Project: Providing Opportunities for Work and Empowering Resilience project	\$	688,184
Other programs in the MENA region		318,795
League of women in tech-future jobs		311,281
Rebuilding Livelihoods - economic impact in Gaza and rebuilding businesses		263,533
Economically empowering Egyptian young women		154,658
Skills for Success - Pathways to youth employment		134,260
Mustaqbal: Building Futures for Yemeni Youth		127,575
Job training, entrepreneurship and Pathways program in Palestine and Jordan		103,566
Connecting vulnerable populations with employment in emerging sectors in Jordan and Palestine		93,512
Training for a Digital Future project		41,055
New opportunities for young Egyptian women in health care and information technology		32,169
Vitalization and Youth Empowerment in Gaza		27,264
Employment Beyond Boundaries - Virtual Jobs for Vulnerable Youth in Jordan and Palestine		20,677
Job Placement Training in Saudi Arabia and Bahrain		12,121
Pathways to Progress		11,372
Catalyst Fund		10,005
Gulf program management		696
EMEA Community Engagement		592
	\$	<u>2,351,315</u>

EDUCATION FOR EMPLOYMENT

Notes to Financial Statements

9. Employee Retirement Plan

The Organization maintains a defined contribution retirement plan for eligible employees. The Organization's contribution to the plan for the year ended December 31, 2022 was \$72,735.

10. Related Party Transactions

The Organization receives support from the Founder and Chairman of the Board of the Organization and a related family foundation. The Founder and a related family foundation contributed \$610,147 to the Organization during the year ended December 31, 2022.

In addition, the Founder's company provided accounting and other administrative services to the Organization having a fair value of \$250,000 without charge, for the year ended December 31, 2022.

11. Concentration Risks

The Organization has a concentration of credit risk in that it maintains deposits with financial institutions in excess of amounts insured by the Federal Deposit Insurance Corporation. The maximum insurance amount is \$250,000, which is applied per depositor, per insured depository institution for each account ownership category.

A concentration risk exists in that contributions from a grantor and grants/subgrants from a federal government department comprised 28% of total support and revenue (excluding in-kind contributions) for the year ended December 31, 2022. Grants/subgrants and revenue from a federal government department, a contractor and an NGO comprised 76% of grants receivable, government contract receivable and pledges receivable at December 31, 2022.

12. Grant Commitments

In connection with certain grants from non-government sources and certain conditional grant awards as disclosed in Note 4, the Organization is obligated to award up to approximately \$2,509,720 in subrecipient grants, which is contingent on receipt of conditional funding, related costs being incurred by the subrecipients, and/or the attainment of performance indicators provided for in the subaward agreements. These commitments will be recognized as grants expense when the corresponding conditions/barriers are overcome.

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Education for Employment
Washington, D.C.

We have audited 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, the financial statements of Education for Employment (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Edelstein & Company LLP

Boston, Massachusetts
June 28, 2023

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors
Education for Employment
Washington, D.C.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Education for Employment’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Education for Employment’s major federal programs for the year ended December 31, 2022. Education for Employment’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, Education for Employment complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on Education for Employment’s response to the noncompliance finding identified in our audit, which is described in the accompanying management’s corrective action plan. Education for Employment’s response was not subject to the other auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Education for Employment and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Education for Employment’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Education for Employment's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Education for Employment's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Education for Employment's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

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

We have audited the financial statements of Education for Employment as of and for the year ended December 31, 2022, and have issued our report thereon dated June 28, 2023, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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.

Edelstein & Company LLP

Boston, Massachusetts
September 29, 2023

**EDUCATION FOR EMPLOYMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – NOT-FOR-PROFIT
ORGANIZATIONS**

FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity	Pass-Through Award Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of State:					
Bureau of Near Eastern Affairs - Supporting Job Creation for Young Tunisians from Marginalized Communities	19.600	N/A	N/A	\$ 639,916	\$ 422,048
Investing in People in The Middle East and North Africa - Advancing Women Entrepreneurship	19.021	N/A	N/A	107,155	67,676
Entrepreneurship and work readiness training programs in The United Arab Emirates	19.021	N/A	N/A	23,286	-
Total for Investing in People in The Middle East and North Africa (CFDA Number 19.021)				<u>130,441</u>	<u>67,676</u>
Public Diplomacy Programs -					
Women Empowerment through Entrepreneurship between American and Jordanian entrepreneurs	19.040	N/A	N/A	56,631	12,809
Train, nurture, and empower women in Western Saudi Arabia	19.040	The University of Iowa	SSA40021GR3012	83,813	-
Total for Public Diplomacy Programs (CFDA Number 19.040)				<u>140,444</u>	<u>12,809</u>
Total expenditures of federal awards				<u>\$ 910,801</u>	<u>\$ 502,533</u>

NOTE 1: Basis of Presentation

The schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Education for Employment under programs of the federal government for the year ended December 31, 2022. The information in the Schedule is presented in accordance with the 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”). Because the Schedule presents only a selected portion of the operations of Education for Employment, it is not intended to and does not present the financial position, changes in net assets or cash flows of Education for Employment.

NOTE 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Education for Employment has not elected to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**EDUCATION FOR EMPLOYMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal Control Over Financial Reporting

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Major Federal Award Programs

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Type of report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes

Identification of major programs:

Federal CFDA/
Subaward Identifying
Number

Name of Federal Program or Cluster

19.600

Department of State:
Bureau of Near Eastern Affairs

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Education for Employment qualified as a low-risk auditee.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

OTHER MATTER

Finding 2022-001 Special Reporting for Subawards Under Federal Funding Accountability and Transparency Act

Criteria: Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202 of Pub. L. No. 110-252, hereafter referred to as the “Transparency Act” that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (“FSRS”). Required information to be reported includes key subaward data elements of the applicable subaward obligations /modifications. The action is to be reported in FSRS no later than the last day of the month following the month in which the subaward/subaward amendment obligation was made or the subcontract award/subcontract modification was made.

Condition: The Organization did not report the key subaward data elements of its federal grants or cooperative agreements (major program included) in FSRS. Grant data on USASpending.gov, the publicly available website for viewing this information, fails to disclose subaward data of the Organization’s major program.

Major Program:

Number of Subawards Not Reported	3
Number of Subawards Missing Key Elements Reported	3
Amount of Subawards Not Reported	\$ 2,122,797

Cause: The Organization was unaware of the special subaward reporting requirements of the Transparency Act in FSRS.

Effect: The Organization did not report the key subaward data elements of its federal grants or cooperative agreements (major program included) in FSRS, but it has determined that there is no direct and material effect to the Organization’s major program.

Auditor’s Recommendation: The Organization should register in FSRS, gather the subaward data elements of its federal grants or cooperative agreements, and report all required subaward data, including those with the applicable subaward obligations /modifications, in FSRS as soon as possible.

Views of Responsible Officials and Planned Corrective Actions: The Organization agrees with this finding and will immediately initiate the process of registering in FSRS, gathering the subaward data elements of all of its federal grants or cooperative agreements, and reporting this data in FSRS as soon as possible, in adherence to the corrective action plan.

**EDUCATION FOR EMPLOYMENT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022**

Finding: 2022-001

Name of contact person: Sarah Little, Director of Programs and Business Development

Corrective Action: The Organization will immediately initiate the process of registering in FSRS, gathering the subaward data elements of all of its federal grants or cooperative agreements, and reporting these data in FSRS as soon as possible.

Proposed Completion Date: As soon as possible, or by end of October 2023