EDUCATION FOR EMPLOYMENT

Financial Statements

December 31, 2021
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Independent Auditor’s Report

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

Report on 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, 2021, 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, 2021, 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.

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 30, 2022 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 30, 2022
## Statement of Financial Position
### December 31, 2021

<table>
<thead>
<tr>
<th>Assets:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,269,298</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>877,374</td>
</tr>
<tr>
<td>Government contract receivable</td>
<td>588,830</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>93,100</td>
</tr>
<tr>
<td>Other receivable</td>
<td>3,196</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>45,714</td>
</tr>
<tr>
<td>Furniture and equipment, net</td>
<td>8,826</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>24,500</td>
</tr>
<tr>
<td>Deposits</td>
<td>24,895</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$3,935,733</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and net assets</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$71,560</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>135,784</td>
</tr>
<tr>
<td>Grants payable</td>
<td>312,911</td>
</tr>
<tr>
<td>Deferred rent</td>
<td>56,586</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>576,841</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Without donor restrictions</td>
<td>733,337</td>
</tr>
<tr>
<td>With donor restrictions</td>
<td>2,625,555</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>3,358,892</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total liabilities and net assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
**EDUCATION FOR EMPLOYMENT**

**Statement of Activities and Changes in Net Assets**
**For the Year Ended December 31, 2021**

<table>
<thead>
<tr>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and revenue:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions and grants</td>
<td>$2,340,833</td>
<td>$2,569,473</td>
</tr>
<tr>
<td>Government grants - Employee Retention Credit</td>
<td>229,758</td>
<td>-</td>
</tr>
<tr>
<td>Government grants - Paycheck Protection Program</td>
<td>242,005</td>
<td>-</td>
</tr>
<tr>
<td>Other government grants</td>
<td>1,005,216</td>
<td>-</td>
</tr>
<tr>
<td>Government funded subcontracts</td>
<td>602,932</td>
<td>-</td>
</tr>
<tr>
<td>In-kind contributions</td>
<td>289,811</td>
<td>-</td>
</tr>
<tr>
<td>Interest income</td>
<td>490</td>
<td>-</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>2,116,240</td>
<td>(2,116,240)</td>
</tr>
<tr>
<td><strong>Total support and revenue</strong></td>
<td>6,827,285</td>
<td>453,233</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
<td>3,752,570</td>
<td>-</td>
</tr>
<tr>
<td>Management and general</td>
<td>1,810,551</td>
<td>-</td>
</tr>
<tr>
<td>Fundraising</td>
<td>102,384</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>5,665,505</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Changes in net assets</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1,161,780</td>
<td>453,233</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets (deficit), beginning of year</strong></td>
<td>(428,443)</td>
<td>2,172,322</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets, end of year</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$733,337</td>
<td>$2,625,555</td>
<td>$3,358,892</td>
</tr>
</tbody>
</table>
EDUCATION FOR EMPLOYMENT

Statement of Cash Flows
For the Year Ended December 31, 2021

Cash flows from operating activities:
Changes in net assets $ 1,615,013
Adjustments to reconcile changes in net assets to net cash provided by operating activities:
  Depreciation and amortization 14,297
Changes in operating assets and liabilities:
  Grants receivable (527,146)
  Government contract receivable (384,732)
  Pledges receivable (33,985)
  Other receivable (2,777)
  Prepaid expenses (4,214)
  Deposits 1,000
  Accounts payable (40,989)
  Accrued expenses (43,691)
  Grants payable (83,061)
  Deferred rent (32,672)
Net cash provided by operating activities 477,043

Cash flows used in investing activities:
  Purchase of equipment (6,279)

Increase in cash 470,764

Cash, beginning of year 1,798,534

Cash, end of year $ 2,269,298

The accompanying notes are an integral part of these financial statements. 5
# EDUCATION FOR EMPLOYMENT

Statement of Functional Expenses  
For the Year Ended December 31, 2021

<table>
<thead>
<tr>
<th></th>
<th>Program Services</th>
<th>Management and General</th>
<th>Fundraising</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$ 2,284,221</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 2,284,221</td>
</tr>
<tr>
<td>Salaries and compensation</td>
<td>841,668</td>
<td>794,910</td>
<td>45,635</td>
<td>1,682,213</td>
</tr>
<tr>
<td>Consulting</td>
<td>255,906</td>
<td>118,505</td>
<td>35,853</td>
<td>410,264</td>
</tr>
<tr>
<td>Accounting</td>
<td>-</td>
<td>283,275</td>
<td>-</td>
<td>283,275</td>
</tr>
<tr>
<td>Technology</td>
<td>83,539</td>
<td>184,342</td>
<td>-</td>
<td>267,881</td>
</tr>
<tr>
<td>Payroll taxes and benefits</td>
<td>138,960</td>
<td>93,170</td>
<td>9,387</td>
<td>241,517</td>
</tr>
<tr>
<td>Occupancy</td>
<td>96,451</td>
<td>32,202</td>
<td>6,682</td>
<td>135,335</td>
</tr>
<tr>
<td>Recruitment</td>
<td>-</td>
<td>74,205</td>
<td>-</td>
<td>74,205</td>
</tr>
<tr>
<td>Office expenses</td>
<td>30,995</td>
<td>41,779</td>
<td>-</td>
<td>72,774</td>
</tr>
<tr>
<td>Bad debt</td>
<td>-</td>
<td>52,500</td>
<td>-</td>
<td>52,500</td>
</tr>
<tr>
<td>Travel</td>
<td>16,079</td>
<td>22,895</td>
<td>1,032</td>
<td>40,006</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,268</td>
<td>30,362</td>
<td>-</td>
<td>34,630</td>
</tr>
<tr>
<td>Legal</td>
<td>-</td>
<td>25,401</td>
<td>-</td>
<td>25,401</td>
</tr>
<tr>
<td>Insurance</td>
<td>-</td>
<td>22,987</td>
<td>-</td>
<td>22,987</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>-</td>
<td>14,297</td>
<td>-</td>
<td>14,297</td>
</tr>
<tr>
<td>Telephone</td>
<td>233</td>
<td>11,356</td>
<td>-</td>
<td>11,589</td>
</tr>
<tr>
<td>Marketing</td>
<td>250</td>
<td>4,803</td>
<td>3,795</td>
<td>8,848</td>
</tr>
<tr>
<td>Staff training and development</td>
<td>-</td>
<td>3,562</td>
<td>-</td>
<td>3,562</td>
</tr>
<tr>
<td></td>
<td><strong>$ 3,752,570</strong></td>
<td><strong>$ 1,810,551</strong></td>
<td><strong>$ 102,384</strong></td>
<td><strong>$ 5,665,505</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these 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 Morocco**

The Moroccan Education for Employment Foundation (“EFE-Maroc”) was established in 2007 and to date has trained thousands of youth on employability and job training and placement programs. EFE-Maroc completed programming under the “Advancing Local Labor Opportunities in Western Sahara” (ALLOWS) project with the International Republican Institute (“IRI”), funded by the U.S. Department of State. During 2021, EFE-Maroc held job training and placement programming in the education, sales, banking/finance, administration, procurement, and laboratory technician work in Dakhla and Laayoune, as well as aligned Training of Trainers (“TOT”) for the sales programming in Laayoune. EFE-Maroc further offered a professional French course to improve linguistic skills in Dakhla. Working with pre-committed jobs, EFE-Maroc placed numerous youths in gainful employment across the entirety of the ALLOWS project in 2021.

**EFE Yemen**

Education for Employment-Yemen (“EFE-Yemen”) was founded in 2008 with the mission to connect Yemeni youth to jobs and income through private sector partnerships, market demand-driven training, and world-class curriculums delivered by dynamic local trainers. EFE-Yemen has trained many youth in its job placement and self-employment courses, including young women in spite of a low Yemeni national average for female labor participation. Beginning in 2019, EFE-Yemen implemented the Medical Employment and Development (MED) I project, followed by an expanded MED II project from 2020 to 2022. The MED projects are supported by Catholic Relief Services and address the critical humanitarian needs for medical care in Yemen while providing unemployed Yemeni youth with access to economic opportunities in the healthcare sector. Under MED I and MED II, hundreds of young students graduated from EFE-Yemen’s medical support training courses, many of whom are young women. Supported by Alwaleed Philanthropies and the Saudi Development and Reconstruction Program for Yemen, the Mustaqbal project in 2021 and 2022 trains youth in Aden in various vocational sectors, supports entrepreneurs launching their businesses, and trains youth in job search skills.

**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 2021, EFE-Egypt continued to work with Boeing and support youth employment through the provision of JPTP trainings. In addition, in 2021, EFE-Egypt also started a project with Visa Foundation to train and place young women in emerging sectors along with an IT focus project supported by JP Morgan Chase Foundation to train young women in IT skills. EFE-Egypt continues to provide trainings to Egypt youth despite the COVID situation.
1. Organization and Purpose (continued)

**EFE Jordan**

Education for Employment-Jordan (“EFE-Jordan”) was established in 2006 and has trained a significant number of youth in its job placement and entrepreneurship support programs. In 2021, EFE-Jordan launched the Women’s Empowerment through Entrepreneurship (“WEE”) project funded by the U.S. Department of State through the U.S. Embassy in Amman. Over two years, the project will train 50 women in advanced entrepreneurship, culminating in a week-long exchange program for five beneficiaries, all in partnership with International Strategic Management, Inc. During the fourth quarter of 2021, EFE-Jordan initiated the project. Activities included designing a multi-step sourcing process and beginning program/curriculum customization for the beneficiaries.

**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 2021, 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 International Strategic Management, Inc. During 2021, EFE-Palestine sourced numerous participants from Gaza, East Jerusalem, and the West Bank, customized EFE’s entrepreneurship curriculum to meet the specific needs of project participants, and began the first round of entrepreneurship training. EFE further supported EFE-Palestine in beginning to utilize EFE’s Learning Management System (“LMS”) to allow for responsivity to the COVID-19 pandemic and multiple teaching modalities.

**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 2020, 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 continued implementation of the Supporting Job Creation for Young Tunisians from Marginalized Communities project, which is supported by the U.S. Department of State, Bureau of Near Eastern Affairs’ Office of Assistance Coordination (“NEA/AC”) since 2017 and through August 2022. The NEA/AC project provides youth with demand-driven job and entrepreneurship training as well as strengthens 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. The Training for the Future: Employment and Awareness for Youth in MENA (also referred to as Citi 7) project, supported by Citi Foundation, provided unemployed youth with economic opportunity through employability, soft skills, and technical training programming. This program ended in January 2022.
1. Organization and Purpose (continued)

**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 2021, EFE-KSA started work on the League of Women IT project with JPMorgan Chase Foundation to provide entry-level Job Training & 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 Saudi continued to provide online trainings to mitigate the impact of COVID-19.

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 2021 were $254,332.

2. Summary of Significant Accounting Policies

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). 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, 2021, or for the year then ended.

**Use of Estimates**

The presentation of financial statements in conformity with U.S. GAAP 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.
2. Summary of Significant Accounting Policies (continued)

Cash

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

Government Contract, Grants and Pledges Receivable

Government contract and certain grants receivable consist of requisition invoices for expenditures incurred in subcontractor agreements and grants funded by federal government agencies. Other grants and pledges receivable are amounts management expects to collect on outstanding balances from donors and grantors. 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, 2021, as the entire balance in these accounts has been deemed by management to be fully collectible. During the year ended December 31, 2021, a grant receivable from a corporate grantor in the amount of $52,500 was written off by the Organization and is reported as a bad debt expense on the statement of functional expenses.

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 and 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.

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.

Deferred Rent

Rent expense is recognized on the straight-line basis over the lease term. Deferred rent represents the cumulative difference between escalating rents due over the lease term and rent that is recognized on the straight-line basis.
2. Summary of Significant Accounting Policies (continued)

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 approved or 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. The Organization has no contract assets at December 31, 2021.

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.

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.
2. Summary of Significant Accounting Policies (continued)

Subsequent Events

The Organization’s management has evaluated the effect that subsequent events may have on these financial statements. Management’s evaluation was completed on June 30, 2022, the date these financial statements became 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.

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, 2021 are comprised of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,269,298</td>
</tr>
<tr>
<td>Grants receivable</td>
<td>$877,374</td>
</tr>
<tr>
<td>Government contract receivable</td>
<td>$588,830</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>$93,100</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$3,196</td>
</tr>
<tr>
<td>Financial assets available to meet general expenditures, as defined below, within one year</td>
<td>$3,831,798</td>
</tr>
</tbody>
</table>

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 in the amount of $970,474 at December 31, 2021 were collected or expected to be collected by the Organization within one year of the date of the statement of financial position.

Pledges and 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 $93,100 at December 31, 2021 was all from individual, foundation and corporate donors. Grants receivable at December 31, 2021 consisted of $609,061 and $268,313, respectively from government agencies and non-government sources.

As of December 31, 2021, the Organization has been awarded approximately $968,000 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 $5,728,000 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.
5. Furniture, Equipment and Intangible Assets

Furniture and equipment consisted of the following at December 31, 2021:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture</td>
<td>$9,312</td>
</tr>
<tr>
<td>Equipment</td>
<td>$57,814</td>
</tr>
<tr>
<td><strong>Total furniture and equipment</strong></td>
<td><strong>$67,126</strong></td>
</tr>
<tr>
<td>Less - accumulated depreciation</td>
<td><strong>$8,826</strong></td>
</tr>
</tbody>
</table>

Intangible assets consisted of the following at December 31, 2021:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer software</td>
<td>$260,970</td>
</tr>
<tr>
<td>Website development costs</td>
<td>$109,000</td>
</tr>
<tr>
<td><strong>Total intangible assets</strong></td>
<td><strong>$369,970</strong></td>
</tr>
<tr>
<td>Less - accumulated amortization</td>
<td>$345,470</td>
</tr>
<tr>
<td>****</td>
<td><strong>$24,500</strong></td>
</tr>
</tbody>
</table>

Depreciation expense for the year ended December 31, 2021 was $2,047. Amortization expense for the year ended December 31, 2021 was $12,250.

Website development costs were fully amortized at December 31, 2021, and amortization of computer software costs for each of the next two fiscal years ending December 31 will be $12,250.

6. In-Kind Contributions

The Organization received the following in-kind contributed services during the year ended December 31, 2021:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting and other administrative services</td>
<td>$250,000</td>
</tr>
<tr>
<td>Legal</td>
<td>$25,401</td>
</tr>
<tr>
<td>Trademark services</td>
<td>$14,410</td>
</tr>
<tr>
<td><strong>Total in-kind contributions</strong></td>
<td><strong>$289,811</strong></td>
</tr>
</tbody>
</table>
7. Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at December 31, 2021:

**POWER Project: Providing Opportunities for Work and Empowering Resilience project** $ 813,483
Other programs in the MENA region 359,098
Rebuilding Livelihoods - economic impact in Gaza and rebuilding businesses 298,812
Economically empowering Egyptian young women 188,920
League of women in tech-future jobs 181,111
Skills for Success - Pathways to youth employment 152,645
Mustaqbal: Building Futures for Yemeni Youth 127,575
Training for a Digital Future project 121,750
Job training, entrepreneurship and Pathways program in Palestine and Jordan 117,444
Connecting vulnerable populations with employment in emerging sectors in Jordan and Palestine 93,512
New opportunities for young Egyptian women in health care and information technology 50,000
Gulf program management 46,291
Job placement training in Saudi Arabia and Bahrain 31,383
Catalyst Fund 27,500
Women's entrepreneurship program 9,418
EMEA community engagement 6,613

$ 2,625,555

Net assets released from donor restrictions during the year ended December 31, 2021 were as follows:

Other programs in the MENA region $ 585,789
Training for a Digital Future project 418,262
POWER Project: Providing Opportunities for Work and Empowering Resilience project 363,053
Mustaqbal: Building Futures for Yemeni Youth 183,498
League of women in tech-future jobs 173,629
Connecting vulnerable populations with employment in emerging sectors in Jordan and Palestine 118,889
Economically empowering Egyptian young women 93,973
Skills for Success - Pathways to youth employment 61,080
EMEA Community Engagement 42,355
Catalyst Fund 20,817
Time restricted grant 15,000
Medical Employment and Development in Yemen 12,500
Job Placement Training in Saudi Arabia and Bahrain 9,060
Innovative projects and initiatives 8,199
Gulf program management 6,250
Rebuilding Livelihoods - economic impact in Gaza and rebuilding businesses 2,698

$ 2,116,240
8. Lease Commitments

The Organization executed a lease for office space located in Washington, D.C. through June 30, 2023. 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 May 2021, the Organization extended 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. Rent expense for these leases for the years ended December 31, 2021 was $135,335. The Organization’s minimum future lease payments under its lease agreement in Washington, D.C. and Dubai, UAE for the years ending December 31 are as follows:

<table>
<thead>
<tr>
<th>Years ending December 31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$172,735</td>
</tr>
<tr>
<td>2023</td>
<td>85,868</td>
</tr>
</tbody>
</table>

9. Paycheck Protection Program Loan

On March 12, 2021, the Organization received full forgiveness of a Paycheck Protection Program (“PPP”) loan of $242,005 granted by the Small Business Administration (“SBA”) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which was recorded as a grant revenue during the year ended December 31, 2020.

On March 15, 2021, the Organization received a PPP second draw loan of $242,005 granted by the SBA under the Consolidated Appropriations Act, 2021. All or a portion of the loan and accrued interest is forgivable based on the amount of qualifying expenses incurred and certain other criteria. The Organization met the PPP second draw’s eligibility criteria for forgiveness in full, and therefore, recognized the entire loan amount of $242,005 as grant revenue on the statement of activities and changes in net assets for the year ended December 31, 2021. On November 12, 2021, the Organization received full forgiveness of the PPP second draw loan by the SBA.

10. Employee Retention Credit

The Organization is eligible for the Internal Revenue Service's Employee Retention Credit (“ERC”), although the refundable credit applicable to the Organization’s 2021 federal payroll forms has not yet been received as of December 31, 2021. The credit, amounting to $229,758 is recorded as government grants - Employee Retention Credit on the statement of activities and changes in net assets for the year ended December 31, 2021 and as a component of grants receivable on the statement of financial position at December 31, 2021. Barriers (or conditions) of the ERC include various eligibility requirements such as meeting the rules for a decline in gross receipts and incurring qualifying payroll costs, which the Organization determined to have met/overcome. The Internal Revenue Service has five years to audit the ERC claims and eligibility after the date of filing which occurred on February 26, 2022.

11. Employee Retirement Plan

The Organization maintains a defined contribution retirement plan for eligible employees. The Organization’s contributions to the plan for the year ended December 31, 2021 were $63,246.
12. Related Party Transactions

The Organization receives support from the Founder and Chairman of the Board of the Organization. The Founder contributed $1,453,685 to the Organization during the year ended December 31, 2021. 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, 2021.

13. 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 the founder and grants/subgrants from a federal government department comprised 35% of total support and revenue (excluding in-kind contributions) for the year ended December 31, 2021. Grants/subgrants and revenue from a federal government department and a contractor comprised 67% of grants receivable, government contract receivable and pledges receivable at December 31, 2021.

14. 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 $2,126,000 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.

15. Uncertainty Regarding the Impact of COVID-19

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management is actively monitoring the global situation and its effects on the Organization's industry, financial condition, liquidity, and operations. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity, and the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.
16. New Accounting Pronouncement Issued and Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosures of leases for both parties to a contract (i.e., lessees or lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases. This standard will be effective for annual reporting periods beginning after December 15, 2021 for non-public entities. The Organization is in the process of evaluating the impact of this new ASU.
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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Education for Employment (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 30, 2022.

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 30, 2022
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, 2021. 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, 2021.

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, 2021, and have issued our report thereon dated June 30, 2022, 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 28, 2022
## EDUCA CTION FOR EMPLOYMENT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS – NOT-FOR-PROFIT ORGANIZATIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

<table>
<thead>
<tr>
<th>Federal Grantor/Program or Cluster Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Entity</th>
<th>Pass-Through Award Identifying Number</th>
<th>Federal Expenditures</th>
<th>Expenditures to Subrecipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Department of State:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bureau of Near Eastern Affairs - Supporting Job Creation for Young Tunisians from Marginalized Communities</td>
<td>19.600</td>
<td>N/A</td>
<td>N/A</td>
<td>$738,692</td>
<td>$572,300</td>
</tr>
<tr>
<td>Middle East Partnership Initiative - Support the implementation of the Advancing Local Labor Opportunities in Western Sahara (ALLOWS) project</td>
<td>19.500</td>
<td>International Republican Institute</td>
<td>S-NEAAC-19-GR-0046/0001.01</td>
<td>169,105</td>
<td>147,485</td>
</tr>
<tr>
<td>Investing in People in The Middle East and North Africa - Advancing Women Entrepreneurship and work readiness training programs in The United Arab Emirates</td>
<td>19.021</td>
<td>N/A</td>
<td>N/A</td>
<td>59,737</td>
<td>24,323</td>
</tr>
<tr>
<td>Total for Investing in People in The Middle East and North Africa (CFDA Number 19.021)</td>
<td></td>
<td></td>
<td></td>
<td>34,936</td>
<td>-</td>
</tr>
<tr>
<td>Public Diplomacy Programs - Women Empowerment through Entrepreneurship between American and Jordanian entrepreneurs</td>
<td>19.040</td>
<td>N/A</td>
<td>N/A</td>
<td>2,746</td>
<td>-</td>
</tr>
<tr>
<td>Total expenditures of federal awards</td>
<td></td>
<td></td>
<td></td>
<td>$1,005,216</td>
<td>$744,108</td>
</tr>
</tbody>
</table>

**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, 2021. 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.
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)? No

Identification of major programs:

Federal CFDA/
Subaward Identifying Number

Name of Federal Program or Cluster

Department of State:

19.600

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.