

Partners for Youth with Disabilities, Inc.

**Financial Statements and
Independent Auditor's Report**

June 30, 2023

Partners for Youth with Disabilities, Inc.

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Independent Auditor's Report

To the Board of Directors of
Partners for Youth with Disabilities, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Partners for Youth with Disabilities, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows 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 the Organization as of June 30, 2023, 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 the Organization 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 these 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 the Organization's ability to continue as a going concern within 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, including omissions, 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 the Organization'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 the Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Partners for Youth with Disabilities, Inc.'s June 30, 2022 financial statements, and we expressed an unmodified audit opinion on the audited financial statements in our report dated December 14, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2024 on our consideration of the Organization'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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Braintree, Massachusetts
February 21, 2024

Partners for Youth with Disabilities, Inc.

**Statement of Financial Position
June 30, 2023
With Comparative Totals as of June 30, 2022**

	<u>Assets</u>	
	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents	\$ 702,040	\$ 1,201,203
Accounts receivable	490,766	282,159
Contributions receivable, current portion	195,734	418,273
Prepaid expenses	31,281	18,596
	<u>1,419,821</u>	<u>1,920,231</u>
Fixed assets		
Furniture and equipment	41,403	19,771
Total fixed assets	41,403	19,771
Less: accumulated depreciation	<u>(11,975)</u>	<u>(14,999)</u>
	<u>29,428</u>	<u>4,772</u>
Other assets		
Deposits	5,846	8,250
Contributions receivable, net of current portion	68,625	-
Right-of-use asset, net	<u>340,445</u>	<u>-</u>
	<u>414,916</u>	<u>8,250</u>
Total assets	<u>\$ 1,864,165</u>	<u>\$ 1,933,253</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities		
Accounts payable	\$ 74,070	\$ 104,827
Accrued expenses	223,576	49,305
Accrued vacation compensation	74,714	52,052
Deferred revenue	11,700	24,157
Operating lease obligation, short-term	<u>65,046</u>	<u>-</u>
	<u>449,106</u>	<u>230,341</u>
Long-term liabilities		
Operating lease obligation, net of current portion	<u>277,350</u>	<u>-</u>
	<u>277,350</u>	<u>-</u>
Total liabilities	<u>726,456</u>	<u>230,341</u>
Net assets		
Net assets without donor restrictions	835,850	1,263,937
Net assets with donor restrictions	<u>301,859</u>	<u>438,975</u>
	<u>1,137,709</u>	<u>1,702,912</u>
Total liabilities and net assets	<u>\$ 1,864,165</u>	<u>\$ 1,933,253</u>

See Notes to Financial Statements.

Partners for Youth with Disabilities, Inc.

**Statement of Activities
For the Year Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022**

	Net assets without donor restrictions	Net assets with donor restrictions	2023 Total	2022 Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Revenue and support				
Grants	\$ 359,185	\$ 301,859	\$ 661,044	\$ 818,864
Contributions	178,935	-	178,935	681,281
In-kind contributions	101,841	-	101,841	17,649
Special events	351,659	-	351,659	400,835
Program service fees	1,475,811	-	1,475,811	1,169,830
Interest and dividends	26,092	-	26,092	114
Other	3,093	-	3,093	3,719
Net assets released from restrictions	438,975	(438,975)	-	-
	<u>2,935,591</u>	<u>(137,116)</u>	<u>2,798,475</u>	<u>3,092,292</u>
Total revenue and support				
Expenses				
Program services	2,333,801	-	2,333,801	1,544,633
General and administrative	723,273	-	723,273	389,886
Fundraising	306,604	-	306,604	184,642
	<u>3,363,678</u>	<u>-</u>	<u>3,363,678</u>	<u>2,119,161</u>
Total expenses				
Change in net assets from operations	<u>(428,087)</u>	<u>(137,116)</u>	<u>(565,203)</u>	<u>973,131</u>
Non-operating revenue				
Forgiveness of note payable - PPP	-	-	-	385,907
	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,907</u>
Total non-operating revenue				
Total change in net assets	(428,087)	(137,116)	(565,203)	1,359,038
Net assets, beginning	<u>1,263,937</u>	<u>438,975</u>	<u>1,702,912</u>	<u>343,874</u>
Net assets, end	<u>\$ 835,850</u>	<u>\$ 301,859</u>	<u>\$ 1,137,709</u>	<u>\$ 1,702,912</u>

See Notes to Financial Statements.

Partners for Youth with Disabilities, Inc.

**Statement of Functional Expenses
For the Year Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022**

	Program Services			Total Program services	General and administrative	Fundraising	2023 Total	2022 Total
	Mentoring	Youth Leadership	Education/ employment & Inclusion					
Salaries	\$ 253,515	\$ 255,626	\$ 951,397	\$ 1,460,538	\$ 381,756	\$ 46,724	\$ 1,889,018	\$ 1,226,570
Payroll taxes	20,707	19,423	77,877	118,007	31,091	5,635	154,733	102,200
Fringe benefits	28,931	15,295	85,447	129,673	33,531	2,637	165,841	135,274
Subtotal	303,153	290,344	1,114,721	1,708,218	446,378	54,996	2,209,592	1,464,044
Activity fees	-	-	100	100	-	-	100	2,500
Advertising and recruitment	-	45	349	394	-	70	464	1,110
Bank fees	-	-	-	-	5,699	-	5,699	5,291
Charitable donation	-	-	100	100	50	100	250	207
Conferences and meetings	2,448	110	2,870	5,428	2,079	381	7,888	2,949
Contracted services	2,377	134,037	97,282	233,696	96,814	145,711	476,221	313,348
Depreciation	-	4,796	1,362	6,158	1,621	-	7,779	5,073
Equipment rental and maintenance	-	2,263	652	2,915	667	98	3,680	4,997
Food	-	-	-	-	47,124	-	47,124	24,660
Grant expense	-	-	27,975	27,975	-	-	27,975	18,500
Insurance	-	19,087	5,421	24,508	5,625	4,483	34,616	29,886
Interest expense	-	-	-	-	9	-	9	2,518
Membership dues	-	-	-	-	-	300	300	354
Miscellaneous	2,616	4,898	14,252	21,766	475	14,260	36,501	6,710
Occupancy	-	62,330	84,329	146,659	11,043	2,714	160,416	58,932
Payroll fees	-	-	-	-	26,582	-	26,582	9,103
Permits and fees	-	-	-	-	545	1,180	1,725	547
Postage and delivery	1	55	311	367	1,049	6,329	7,745	2,738
Printing and reproduction	75	3,766	1,523	5,364	973	4,632	10,969	4,996
Professional fees	-	-	3,500	3,500	57,103	11,500	72,103	31,304
Publications and subscriptions	261	19,601	10,535	30,397	6,041	5,162	41,600	27,985
Supplies	182	12,885	7,586	20,653	3,541	52,042	76,236	11,928
Telephone and internet	35	12,907	4,080	17,022	3,757	552	21,331	15,931
Temporary help	15,360	28,028	4,994	48,382	-	117	48,499	63,730
Travel	1,934	1,594	24,940	28,468	5,701	1,919	36,088	8,174
Utilities	-	1,348	383	1,731	397	58	2,186	1,646
	<u>\$ 328,442</u>	<u>\$ 598,094</u>	<u>\$ 1,407,265</u>	<u>\$ 2,333,801</u>	<u>\$ 723,273</u>	<u>\$ 306,604</u>	<u>\$ 3,363,678</u>	<u>\$ 2,119,161</u>

See Notes to Financial Statements.

Partners for Youth with Disabilities, Inc.

**Statement of Cash Flows
For the Year Ended June 30, 2023
With Comparative Totals for the Year Ended June 30, 2022**

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities		
Change in net assets from operations	\$ (565,203)	\$ 1,359,038
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation	7,779	5,073
Loss on disposal of fixed assets	-	1,916
Forgiveness of note payable - PPP	-	(383,911)
Right-of-use asset amortization	27,358	-
(Increase) decrease in assets		
Accounts receivable	(208,607)	(123,592)
Contributions receivable	153,914	(206,772)
Prepaid expenses	(12,685)	1,950
Security deposits	2,404	-
(Decrease) increase in liabilities		
Accounts payable	(30,757)	65,543
Accrued expenses	174,271	(39,259)
Accrued vacation compensation	22,662	(14,252)
Deferred revenue	(12,457)	2,358
Operating lease obligation	(25,407)	-
Net cash (used in) provided by operating activities	<u>(466,728)</u>	<u>668,092</u>
Cash flows from investing activities		
Purchase of fixed assets	<u>(32,435)</u>	<u>(2,006)</u>
Net cash used in investing activities	<u>(32,435)</u>	<u>(2,006)</u>
Net (decrease) increase in cash and cash equiva	(499,163)	666,086
Cash and cash equivalents, beginning	<u>1,201,203</u>	<u>535,117</u>
Cash and cash equivalents, end	<u>\$ 702,040</u>	<u>\$ 1,201,203</u>
Supplemental data for noncash investing and financing activities		
Disposal of fully depreciated fixed assets	<u>\$ 10,803</u>	<u>\$ 6,966</u>
Initial operating right-of-use asset	<u>\$ 367,803</u>	<u>\$ -</u>

See Notes to Financial Statements.

Partners for Youth with Disabilities, Inc.

Notes to Financial Statements June 30, 2023

Note 1 - Summary of significant accounting policies

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The significant accounting policies followed by Partners for Youth with Disabilities, Inc. (the "Organization") are described below to enhance the usefulness of the financial statements to the reader.

Nature of activities

The Organization was organized in the Commonwealth of Massachusetts as a nonprofit corporation in 1985. Since its founding in 1983, the Organization has been a pioneer in the development and delivery of a unique mentoring service and has established innovative and effective programs serving youth with disabilities ages 6-24 in Massachusetts. The Organization recruits, trains, guides and supports caring adults that serve as mentors for youth, as well as supporting parents and families of children with disabilities who need additional resources. In addition to providing hundreds of mentors/partners for youth and young adults through its Mentoring Program, the Organization has continuously met the needs of its changing community by creating and sustaining additional mentoring models and programs to address health, independence, social skills and career development as well as the needs of specific disabilities like autism and learning disabilities.

In addition, the Organization's Inclusion Services Programs offer on-line and in-person training and technical assistance to other organizations interested in becoming more inclusive of youth with disabilities. The Organization furthered its mission through continued delivery of high quality one-to-one and group mentoring programs and sharing the Organization's inclusion expertise. The Organization provides opportunities for youth with disabilities to develop to their full potential so that they may lead self-determined lives filled with dignity, pride and purpose.

The Organization continues to focus its efforts on offering high quality programming in a sustainable manner. During the prior year, the Organization continued its Career Readiness program through an expanded contract with the Massachusetts Rehabilitation Commission and enhanced its on-line presence with an expanded training site, Learn.PYD. Working with other coalition members, the Organization supports sustained advocacy for mentoring individuals with disability by hosting the National Disability Mentoring Coalition and establishing tiered memberships to support that work.

Current programs include:

Mentoring division:

Mentoring Program - This core program of the Organization matches youth with disabilities with caring adults that serve as role models and mentors for the youth guiding them to achieve their personal, independent living and career goals.

Inclusion Services Program - The Inclusion Services program reaches nonprofit organizations across the United States with customized training, technical assistance, and support to improve inclusion and engagement of people with disabilities. It also supports an inclusive on-line training platform Learn.PYD, capable of hosting tailored e-mentoring and training programs.

Youth Leadership division:

Youth Leaders Rising Program - This program prepares young adults with disabilities to become leaders in their communities through participating in after-school community service opportunities. Young leaders develop leadership and job readiness skills while at the same time

Partners for Youth with Disabilities, Inc.

Notes to Financial Statements

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learning the value of community service through work with the Organization's YLF and ATT programs.

Youth Leadership Forum ("YLF") - YLF is for high school students with disabilities who want to develop self-advocacy and leadership skills, begin to plan career goals, and build a network of supports and friends.

Education and training division:

Career Readiness Program ("YEP/CR") - This program is an inclusive job-readiness program that addresses barriers to employment for youth and young adults with disabilities via a three-tiered curriculum of academic learning, real world experiences, and mentoring. This program also includes workshops and work based learning experiences for pre-employment transition aged youth served by the Massachusetts Rehabilitation Commission.

Access to Theatre Program ("ATT") - This is an inclusive theatre arts program that engages youth with and without disabilities in out-of-school and summer theatre arts activities. The program features creative workshops and original productions created by the youth and performed at community locations.

All of the Organization's programs were developed with the understanding that youth with disabilities face many obstacles in their efforts to live independent productive lives, and that one of the greatest obstacles is a profound sense of powerlessness over the most basic circumstances of daily life. Consequently, all the Organization's programs are grounded in the philosophy of empowerment; programs are designed to provide opportunities for youth to gain control of their lives and to acquire the information, resources, and skills for life-long growth and full participation in their communities.

Basis for presentation

The statement of activities reports all changes in net assets, including changes in net assets without donor restrictions from operating activities. Operating revenues consist of those monies received and other contributions attributable to the Organization's ongoing efforts.

Standards of accounting and reporting

The Organization's net assets (excess of its assets over liabilities) and its revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The statement of financial position presents two classes of net assets (net assets without donor restrictions and net assets with donor restrictions) and the statement of activities displays the change in each class of net assets.

The classes of net assets applicable to the Organization are presented as follows:

Net Assets Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions consist of assets and contributions available for the support of operations. These net assets may be designated for specific purposes by the Board of Directors. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Net Assets With Donor Restrictions - Net assets that are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a

Partners for Youth with Disabilities, Inc.

Notes to Financial Statements June 30, 2023

restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions, gains, and investment income that are restricted by the donor are reported as increases in net assets without donor restrictions if the restriction expires in the reporting period in which the contributions are received.

Cash and cash equivalents

The Organization considers all highly-liquid investments purchased with an original maturity of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents.

The Organization maintains its cash balances at financial institutions. The cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC"). At times these balances may exceed the federal insurance limits; however, the Organization has not experienced any losses with respect to its bank balances in excess of government provided insurance.

The Organization also maintains cash equivalents in money market accounts with a balance of \$448,200 as of June 30, 2023. Money market balances are not FDIC insured. Management believes that no significant concentration of credit risk exists with respect to these cash and cash equivalent balances as of June 30, 2023.

Revenue recognition

The Organization earns revenue as follows:

Program service fees - Federal and state contracts that are considered reciprocal transactions or purchases of services, the results of which are turned over to the grantor, are recognized as the work under the contract is performed. Contracts that are considered nonreciprocal transactions that further the programs of the Organization are recorded when the Organization receives notification of the contract, or if conditions for performance are imposed, revenue is recognized when conditions have been met. Program service fee revenue is earned and recognized by the Organization when units or services are provided and billed under various agreements funded primarily by governmental agencies. All contracts consist of two types, unit-rate and cost-reimbursement contracts, all with ceiling amounts. Unit-rate contracts provide that revenue is to be earned and recognized at a negotiated or class rate for each unit-of-service that is provided under the terms of the contract. Under the cost-reimbursement contracts, revenue recognition takes place as costs related to the services provided are incurred. Billings on the contracts are subject to final approval by the governmental organization. As of June 30, 2023, nonreciprocal and reciprocal transactions totaled 97% and 3%, respectively, of program services fees on the statement of activities. Deferred revenue as of June 30, 2023 and 2022 was \$11,700 and \$24,157 respectively, and related to contract advances. Accounts and contributions receivable as of June 30, 2023 was \$755,125, of which \$327,518 related to contracts. Accounts and contributions receivable as of June 30, 2022 was \$700,432, of which \$282,159 related to contracts.

Grants - The Organization receives funding from federal and state governmental agencies and various other grantors for direct and indirect program costs associated with specific programs and projects. Various grants are subject to certain restrictions, which are met by incurring qualifying expenses for the particular program or project that is funded by the grant. Revenue from such grants is recognized when the funds have been expended on activities stipulated in the grant agreement. For unconditional grants, revenue is recognized as contribution revenue that increases net assets with donor restrictions at the time the grant is received or pledged and

Partners for Youth with Disabilities, Inc.

**Notes to Financial Statements
June 30, 2023**

the funds are released from restriction when the restriction has been met. Grants with donor restrictions received and satisfied in the same period are included in grants and contributions without donor restrictions.

Contributions - In accordance with Accounting Standards Codification Subtopic 958-605, *Revenue Recognition*, the Organization must determine whether a contribution (or a promise) is conditional or unconditional for transactions deemed to be a contribution. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include measurable performance-related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Contributions without donor restrictions are recognized as revenue and net assets without donor restrictions when received or unconditionally pledged. Contributions with donor restrictions are recorded as revenues and net assets with donor restrictions when received or unconditionally pledged. Transfers are made to net assets without donor restrictions as services are performed and costs are incurred pro-rata over the period covered by the grant or contribution as time restrictions lapse.

Noncash and in-kind donations - Donations other than cash (securities) are recorded at their estimated fair market value at the date of the gift. Such donations are reported as without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by individuals with those skills, and would otherwise be purchased by the Organization. Donated materials are reported as contributions in the consolidated financial statements at their estimated fair value at the time of receipt. Certain services donated to the Organization by community volunteers do not meet the above criteria and, therefore, are not recognized in the financial statements.

Special events - Special events revenue is primarily derived from contributions collected and fees charged for admission at various sponsored events. Special events revenue is recognized when earned on the date of the event. The related direct expenses have been reported with fundraising expense in the accompanying statement of activities. For the year ended June 30, 2023, revenue derived from the event totaled \$351,659 and is included with special events on the statement of activities.

Deferred revenue represents program service fee income received during the current year. These amounts are deferred and recognized over the periods in which the fees are earned. Substantially all of deferred revenue as of June 30, 2023 relates to contract advances.

Substantially all of the Organization's revenue is derived from its activities in Massachusetts. During the year ended June 30, 2023, the Organization derived approximately 53% of its total revenue from governmental agencies, 46% from foundations, corporations and individual donors and 1% from other income. The Organization derived 28% of its total revenue from one governmental agency. All revenue is recorded at the estimated net realizable amounts.

Partners for Youth with Disabilities, Inc.

Notes to Financial Statements June 30, 2023

Accounts receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. As of June 30, 2023, management has determined any allowance would be immaterial.

The Organization does not have a policy to accrue interest on accounts receivable. The Organization has no policies requiring collateral or other security to secure the accounts receivable.

As of June 30, 2023, 38% of the Organization's accounts receivable is due from one governmental agency and 62% from various other governmental agencies.

Contributions receivable

Conditional contributions receivable are not recognized in the financial statements until the conditions are substantially met. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional contributions receivable that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contributions. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

Unconditional contributions receivable are periodically reviewed to estimate an allowance for doubtful accounts. Management estimates the allowance by review of historical experience and a specific review of collections trends that differ from scheduled collections on individual promises. As of June 30, 2023, management has determined any allowance would be immaterial.

Land, building and equipment

Land, building and equipment are recorded at cost or if donated, fair value on the date of receipt. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives. Improvements, including planned major maintenance activities are capitalized, while expenditures for routine maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

The Organization computes depreciation using the straight-line method over the estimated lives of furniture and equipment of 3-5 years.

Fundraising expense

Fundraising expense relates to the activities of raising general and specific contributions to the Organization and promoting special events. Fundraising expenses as a percentage of total contribution and special event revenue was 28% for the year ended June 30, 2023. The ratio of expenses to amounts raised is computed using actual expenses and related revenue on an accrual basis.

Partners for Youth with Disabilities, Inc.

Notes to Financial Statements June 30, 2023

Special events

Special events revenue is recognized when earned on the date of the event. The related direct expenses have been reported with fundraising expense in the statement of activities.

Functional allocation of expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are allocated to programs and supporting services. Administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Payroll and associated costs are allocated to functions based upon actual time charges. Occupancy costs are allocated based upon the allocation of salary.

Use of estimates

In preparing the Organization's financial statements in conformity with U.S. GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income taxes

The Organization qualifies as an organization formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and is generally not subject to income tax. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization is not a private foundation under Section 509(a)(1) of the IRC.

U.S. GAAP prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management has analyzed the tax positions taken by the Organization and has concluded that, as of June 30, 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Generally, the Organization's information returns remain open for possible federal income tax examination for three years after the filing date. While the Organization is not currently under examination by any taxing jurisdiction, tax years since 2020 for remain open.

Summarized financial information for 2022

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Also, the financial statements do not include a full presentation of the statement of functional expenses, as certain prior year summarized comparative information is presented in total but not by functional classification. In addition, the financial statements do not include full financial statement disclosures for the prior year. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2022, from which the summarized information is derived.

New accounting pronouncement

The Organization adopted Accounting Standards Update 2016-02 (as amended), *Leases* ("Topic 842") on July 1, 2022 ("Adoption Date"). Topic 842 requires lessees to recognize a right-of-use

Partners for Youth with Disabilities, Inc.

**Notes to Financial Statements
June 30, 2023**

asset and a corresponding lease liability for most leases. The Organization elected and applied the following practical expedients on the Adoption Date:

- To apply the provisions of Topic 842 at the Adoption Date, instead of applying them to the earliest comparative period presented in the financial statements.
- The package of practical expedients permitting the Organization to not reassess (i) the lease classification of existing leases; (ii) whether existing and expired contracts are or contain leases; and (iii) initial direct costs for existing leases.
- The election to use an appropriate risk-free discount rate to measure the operating lease liability for the property lease.
- The election not to apply the recognition requirements of Topic 842 to short-term leases.

The Organization made the following adjustments to its statement of financial position as of the lease commencement date, as the Organization entered into a new lease effective January 2023, subsequent to the Adoption Date, in connection with transitioning to Topic 842:

	Increase (decrease)
Right-of-use asset - operating lease	\$ 367,803
Lease liability - operating lease	(367,803)

The Organization accounted for its existing property and equipment leases as operating leases. The adoption of Topic 842 did not have a material impact on the Organization's change in net assets for the year ended June 30, 2023.

The Organization includes its right-of-use assets for operating leases within other assets and the corresponding lease liabilities within current and long-term liabilities in the accompanying statement of financial position. See Note 3 regarding the Organization's right-of-use assets and lease liabilities.

Leases

The Organization recognizes a lease asset and a lease liability at the lease commencement date. The lease asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid as of the commencement date, discounted using a risk-free interest rate.

Partners for Youth with Disabilities, Inc.

**Notes to Financial Statements
June 30, 2023**

Note 2 - Contributions receivable

Unconditional contributions receivable consist of the following as of June 30, 2023:

	<u>Gross promises</u>	<u>Discount</u>	<u>Net promises</u>
Receivables in less than one year	\$ 195,734	\$ -	\$ 195,734
Receivables in one to five years	75,000	(6,375)	68,625
	<u>\$ 270,734</u>	<u>\$ (6,375)</u>	<u>\$ 264,359</u>

The applicable discount rates as of June 30, 2023 was 4.25%. Approximately 87% of the gross promises to give are promised by two donors.

Note 3 - Operating lease commitments

The Organization occupies office and program space under a non-cancelable operating lease agreement with an expiration date through 2028, as well as under various tenant-at-will agreements. The Organization is also liable for certain real estate tax increases and operating cost adjustments under the office lease terms. All contracts that implicitly or explicitly involve property, plant and equipment are evaluated to determine whether they are or contain a lease.

At lease commencement, the Organization recognizes a lease liability, which is measured at the present value of future minimum lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for any prepaid lease costs, initial direct costs and lease incentives. The Organization has elected and applies the practical expedient to combine non-lease components with their related lease components and account for them as a single combined lease component for all its leases.

The Organization remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such changes do not qualify to be accounted for as a separate contract.

The Organization determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Organization has elected, as a practical expedient, to use an appropriate risk-free rate as its discount rate for each class of underlying asset. The Organization's risk-free rate, which is determined at either lease commencement or when a lease liability is remeasured, is the rate on U.S. government securities over a period commensurate with the lease term.

For accounting purposes, the Organization leases commence on the earlier of (i) the date upon which the Organization obtains control of the underlying asset and (ii) the contractual effective date of a lease. Lease commencement for most of the Organization's leases coincides with the contractual effective date. The Organization's leases generally have minimum base terms with renewal options or fixed terms with early termination options. Such renewal and early termination options are exercisable at the option of the Organization and, when exercised, usually provide for rental payments during the extension period at then current market rates or at pre-determined rental amounts. Unless the Organization determines that it is reasonably certain that the term of a lease will be extended, such as through the exercise of a renewal option or non-exercise of an early termination option, the term of a lease begins at lease commencement and spans for the duration

Partners for Youth with Disabilities, Inc.

**Notes to Financial Statements
June 30, 2023**

of the minimum non-cancelable contractual term. When the exercise of a renewal option or non-exercise of an early termination option is reasonably certain, the lease term is measured as ending at the end of the renewal period or on the date an early termination may be exercised.

Lease payments

Occupancy expense for the year ended June 30, 2023 was \$160,415, which includes lease expense, amortization and implied interest, as well as incidental space rentals, and is included in occupancy in the accompanying statement of functional expenses during the year ended June 30, 2023. For the year ended June 30, 2023, cash paid for amounts included in the measurement of lease liabilities totaled \$32,076. The Organization's monthly lease payment was \$5,346 for amounts included in the measurement of lease liabilities.

Lease liability

The lease liability at June 30, 2023 was \$342,396, and is calculated as the present value of remaining lease payments discounted using the Organization's risk-free discount rate of 3.89%. Future remaining scheduled lease payments during the lease term are shown in the table below, and are presented on an undiscounted basis along with a reconciliation to the Organization's operating lease liability as of June 30, 2023. The minimum annual operating non-cancelable lease commitments on property for the Organization are as follows:

<u>Year</u>	
2024	\$ 65,046
2025	66,828
2026	68,628
2027	70,476
2028	72,372
Thereafter	<u>36,666</u>
	380,016
Less discount on lease liability	<u>(37,620)</u>
Total lease liability	<u><u>\$ 342,396</u></u>

Weighted average remaining lease term and weighted average discount rate for the Organization's operating leases as of June 30, 2023:

Weighted average remaining term (in years)	5.5
Weighted average discount rate	3.89%

Security and last month rental deposits on various sites are as follows:

Massachusetts	<u><u>\$ 5,846</u></u>
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Partners for Youth with Disabilities, Inc.

**Notes to Financial Statements
June 30, 2023**

Note 4 - Net assets with donor restrictions

Net assets with donor restrictions consist of resources available to meet future obligations, but only in compliance with the restrictions specified by donors. As of June 30, 2023, net assets with donor restrictions are restricted for the following purposes or periods:

Subject to the passage of time:	
For periods after June 30, 2023	\$ 281,859
Program restricted	<u>20,000</u>
Total net assets with donor restrictions	<u>\$ 301,859</u>

Net assets were released from restrictions during the year ended June 30, 2023 for the following purposes or periods:

Time restrictions	\$ 417,404
Scholarships	3,000
Summer program	<u>18,571</u>
Net assets released from restrictions	<u>\$ 438,975</u>

Note 5 - Contributed services and gifts in-kind

Contributed services and gifts in-kind for the year ended June 30, 2023 were as follows:

Gifts in kind:	
Donated materials	\$ 36,796
Space rental for Access to Theatre	59,345
Donated services	<u>5,700</u>
	<u>\$ 101,841</u>

Donated materials are valued at their estimated fair value on the date of donation. Donated services are valued based upon time incurred for services provided. Donated space was valued using the fair market value at the date of donation by the donor.

During the year ended June 30, 2023, \$42,496 of contributed services and gifts in-kind were utilized for fundraising purposes and \$59,345 for programmatic purposes.

Note 6 - Commitments and contingencies

The Organization receives a portion of its funding from governmental agencies. The ultimate determination of amounts received under these programs generally is based upon allowable costs reported to and audited by the governmental agencies. Until such audits have been completed, if any, and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

The Organization's operations are concentrated in the social service provider field. As such, the Organization operates in a heavily regulated environment. The operations of the Organization are

Partners for Youth with Disabilities, Inc.

**Notes to Financial Statements
June 30, 2023**

subject to administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to the following:

Commonwealth of Massachusetts Department of Public Health
Commonwealth of Massachusetts Department of Mental Health
Commonwealth of Massachusetts Department of Developmental Services
Massachusetts Commission for the Blind
Massachusetts Rehabilitation Commission
United States Department of Education
United States Department of Justice
United States Department of Housing and Urban Development
United States Department of Health and Human Services
United States National Endowment for the Arts

Such administrative directives, rules and regulations are subject to change by an act of Congress, act of the state and local legislature or an administrative change mandated by the Commonwealth of Massachusetts Departments listed above. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change. Additionally, contractual funding may decrease or be withdrawn with little notice.

Note 7 - Liquidity and availability of resources

The following reflects the Organization's financial assets as of June 30, 2023, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year from the statement of financial position date.

Financial assets at year end	
Cash and cash equivalents	\$ 702,040
Accounts and contributions receivable, net	<u>686,500</u>
Total	<u>\$ 1,388,540</u>
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors for specific	<u>\$ 20,000</u>
Financial assets available to meet cash needs	<u>\$ 1,368,540</u>

The Organization is supported by restricted contributions. Because a donor's restriction requires resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Partners for Youth with Disabilities, Inc.

**Notes to Financial Statements
June 30, 2023**

Note 8 - Conditional grants

Conditional grants received by the Organization as of June 30, 2023 consist of other grants totaling \$75,000. Those conditional grants will be recognized as revenue when the related expenses are incurred or the associated milestones are met in future years.

Note 9 - Subsequent events

The Organization has performed an evaluation of subsequent events through February 21, 2024, which is the date the Organization's financial statements were available to be issued. No material subsequent events have occurred since June 30, 2023 that required recognition or disclosure in these financial statements.

Partners for Youth with Disabilities, Inc.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023**

Federal grantor/pass-through grantor/program or cluster title	Assistance listing number	Pass-through entity identifying number	Passed through to subrecipients	Federal expenditures
U.S. Department of Education:				
<i>Passed through the Commonwealth of Massachusetts</i>				
<i>Massachusetts Commission for the Blind</i>				
Rehabilitation Services Vocational Rehabilitation Grants to State	84.126	7000CTMCB40005123060	N/A	\$ 24,280
Rehabilitation Services Vocational Rehabilitation Grants to State	84.126	7000CTMCB40005123060		18,720
<i>Passed through the Commonwealth of Massachusetts</i>				
<i>Massachusetts Rehabilitation Commission</i>				
Rehabilitation Services Vocational Rehabilitation Grants to S	84.126	SCMRCMCBPREETSFY2017	N/A	189,211
Rehabilitation Services Vocational Rehabilitation Grants to S	84.126	SCMRCMCBPREETSFY2017	N/A	160,789
Rehabilitation Services Vocational Rehabilitation Grants to S	84.126	SCMRCYLF1115PYDFY161	N/A	313,522
Rehabilitation Services Vocational Rehabilitation Grants to S	84.126	SCMRCYLF1115PYDFY161	N/A	<u>119,540</u>
Total - U.S. Department of Education				<u>826,062</u>
U.S. Department of Health and Human Services:				
<i>Passed through Massachusetts Developmental Disabilities Council</i>				
Federal Alternatives for State Transformational Model	93.363	23G21GR114	N/A	6,450
U.S. Department of Housing and Urban Development:				
<i>Passed through City of Boston/Office of Workforce Development</i>				
Community Development Block Grant Program/Entitlement Grant (CDBG Entitlement Grants Cluster)	14.218	56853	N/A	<u>42,540</u>
Total - U.S. Department of Housing and Urban Development (CDBG Cluster)				<u>42,540</u>
National Endowment for the Arts:				
Promotion of the Arts Grants to Organizations and Individuals	45.024	N/A	N/A	20,000
U.S. Department of Transportation:				
<i>Passed through Easter Seals</i>				
Public Transportation Research	20.514	2022 OJJDP FY 2022	N/A	12,864
U.S. Department of Justice:				
Juvenile Mentoring Program	16.726	N/A	N/A	<u>77,181</u>
				<u>\$ 985,097</u>

See Notes to Schedule of Expenditures of Federal Awards.

Partners for Youth with Disabilities, Inc.

**Notes to Schedule of Expenditures of Federal Awards
June 30, 2023**

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards ("Schedule") includes the federal award activity of Partners for Youth with Disabilities, Inc. (the "Organization") under programs of the federal government for the year ended June 30, 2023. The information in this 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect cost rate

The Organization has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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 of
Partners for Youth with Disabilities, Inc.

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 Partners for Youth with Disabilities, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 21, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 over financial reporting 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 Organization's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.



Braintree, Massachusetts
February 21, 2024

Independent Auditor's Report on Compliance for the Major Federal Program and Report on
Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors of
Partners for Youth with Disabilities, Inc.

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Partners for Youth with Disabilities, Inc.'s (a nonprofit organization) (the "Organization") 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 the Organization's major federal program for the year ended June 30, 2023. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

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

We are required to be independent of the Organization 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Organization'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 the Organization'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 to express an opinion on the Organization'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 that for 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 the Organization's compliance with the requirements of the 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 the Organization'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 the Organization'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 the Organization'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 compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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 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 have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of the entity's 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.



Braintree, Massachusetts
February 21, 2024

Partners for Youth with Disabilities, Inc.

**Schedule of Findings and Questioned Costs
June 30, 2023**

A. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified opinion

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

_____ Yes X No

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States

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

\$750,000

Auditee qualified as low-risk auditee

_____ Yes X No

Partners for Youth with Disabilities, Inc.

**Schedule of Findings and Questioned Costs
June 30, 2023**

B. Financial Statement Findings

None reported

C. Federal Award Findings and Questioned Costs

None reported



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