



**PROJECT LEARN OF SUMMIT COUNTY
(A NONPROFIT ORGANIZATION)**

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

June 30, 2020
(With Summarized Comparative
Information for June 30, 2019)

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PROJECT LEARN OF SUMMIT COUNTY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Project Learn of Summit County:

We have audited the accompanying financial statements of Project Learn of Summit County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Project Learn of Summit County as of June 30, 2020, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, Project Learn adopted provisions of ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, intended to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of contribution accounting guidance, or as exchange (reciprocal) transactions subject to other guidance, and (2) determining whether a contribution is conditional. The adoption of this ASU did not result in a change to the accounting for any of Project Learn's contributions. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020 on our consideration of Project Learn of Summit County'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 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 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 Project Learn of Summit County's internal control over financial reporting and compliance.

Summarized Comparative Information

We have previously audited Project Learn of Summit County's 2019 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 8, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sikich LLP

Akron, Ohio
November 6, 2020

PROJECT LEARN OF SUMMIT COUNTY

STATEMENTS OF FINANCIAL POSITION

June 30, 2020

(with summarized comparative financial information as of June 30, 2019)

ASSETS	2020	2019
CURRENT ASSETS		
Cash	\$ 448,346	\$ 678,967
Grants receivable	235,430	52,927
Accounts receivable	-	8,671
Prepaid expenses	3,391	8,037
Total current assets	687,167	748,602
NONCURRENT ASSETS		
Property and equipment, net	4,374	10,090
Beneficial interest in community foundation fund	90,220	93,781
Total noncurrent assets	94,594	103,871
TOTAL ASSETS	\$ 781,761	\$ 852,473
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 14,333	\$ 10,212
Accrued salaries and wages	65,890	48,248
Total current liabilities	80,223	58,460
NET ASSETS		
Without donor restrictions	579,818	631,020
With donor restrictions	121,720	162,993
Total net assets	701,538	794,013
TOTAL LIABILITIES AND NET ASSETS	\$ 781,761	\$ 852,473

See accompanying notes to financial statements.

PROJECT LEARN OF SUMMIT COUNTY

STATEMENTS OF ACTIVITIES

For the Year Ended June 30, 2020

(with summarized comparative financial information for the year ended June 30, 2019)

	2020			
	Without Donor Restrictions	With Donor Restrictions	Total	2019
PUBLIC SUPPORT AND REVENUE				
Grants	\$ 710,187	\$ -	\$ 710,187	\$ 792,606
Contributions	84,134	19,000	103,134	156,402
Contributed facilities	43,750		43,750	43,750
Other revenue	24,287	-	24,287	27,414
Interest income	4,319	-	4,319	4,223
Net assets released from restrictions for operations	56,712	(56,712)	-	-
	<u>923,389</u>	<u>(37,712)</u>	<u>885,677</u>	<u>1,024,395</u>
Special events	9,296	-	9,296	32,717
Less direct benefit to donors	<u>3,429</u>	<u>-</u>	<u>3,429</u>	<u>14,421</u>
Special events, net	<u>5,867</u>	<u>-</u>	<u>5,867</u>	<u>18,296</u>
Total support and revenue, net	<u>929,256</u>	<u>(37,712)</u>	<u>891,544</u>	<u>1,042,691</u>
EXPENSES				
Program services	825,100	-	825,100	948,488
Supporting services:				
Management and general	127,319	-	127,319	90,597
Fundraising	<u>26,809</u>	<u>-</u>	<u>26,809</u>	<u>26,303</u>
Total expenses	<u>979,228</u>	<u>-</u>	<u>979,228</u>	<u>1,065,388</u>
Change in net assets from operations before other income (expense)	<u>(49,972)</u>	<u>(37,712)</u>	<u>(87,684)</u>	<u>(22,697)</u>
OTHER INCOME (EXPENSE)				
Change in beneficial interest in community foundation fund	-	(3,561)	(3,561)	(2,217)
Loss on disposal of property and equipment	<u>(1,230)</u>	<u>-</u>	<u>(1,230)</u>	<u>-</u>
CHANGE IN NET ASSETS	(51,202)	(41,273)	(92,475)	(24,914)
NET ASSETS, BEGINNING OF YEAR	<u>631,020</u>	<u>162,993</u>	<u>794,013</u>	<u>818,927</u>
NET ASSETS, END OF YEAR	<u>\$ 579,818</u>	<u>\$ 121,720</u>	<u>\$ 701,538</u>	<u>\$ 794,013</u>

See accompanying notes to financial statements.

PROJECT LEARN OF SUMMIT COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2020

(with summarized comparative financial information for the year ended June 30, 2019)

	2020					2019
	Program Services	Management and General	Fundraising	Cost of Direct Benefit to Donors	Total	Total
Salaries, benefits and related expenses:						
Salaries	\$ 625,949	\$86,211	\$21,291	\$ -	\$ 733,451	\$ 778,525
Employee benefits	12,030	-	-	-	12,030	10,590
Payroll taxes	46,645	6,424	1,587	-	54,656	60,496
Total salaries, benefits and related expenses	684,624	92,635	22,878	-	800,137	849,611
Accounting fees	-	16,785	-	-	16,785	16,778
Consulting fees	4,773	657	163	-	5,593	7,955
Public relations	2,261	-	-	-	2,261	7,123
Office supplies	8,123	1,119	276	-	9,518	8,327
Postage	1,927	265	66	-	2,258	2,015
Telephone	1,532	211	52	-	1,795	1,964
Copier	2,697	371	92	-	3,160	3,866
Occupancy	37,338	5,142	1,270	-	43,750	43,750
Travel and conferences	3,658	504	124	-	4,286	8,275
Staff training	4,325	596	147	-	5,068	2,301
Insurance	-	1,987	-	-	1,987	1,972
Repairs and maintenance	719	99	25	-	843	986
Books	10,960	-	-	-	10,960	24,808
Instructional materials	11,716	-	-	-	11,716	30,309
Special events - food costs	-	-	-	3,429	3,429	14,421
Computer expenses	22,123	3,047	753	-	25,923	23,352
Miscellaneous	24,495	3,374	833	-	28,702	25,902
Total other expenses	136,647	34,157	3,801	3,429	178,034	224,104
Total expenses before depreciation	821,271	126,792	26,679	3,429	978,171	1,073,715
Depreciation	3,829	527	130	-	4,486	6,094
TOTAL FUNCTIONAL EXPENSES	\$ 825,100	\$ 127,319	\$ 26,809	\$ 3,429	\$ 982,657	\$ 1,079,809

See accompanying notes to financial statements.

PROJECT LEARN OF SUMMIT COUNTY**STATEMENTS OF CASH FLOWS****June 30, 2020****(with summarized comparative financial information for the year ended June 30, 2019)**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (92,475)	\$ (24,914)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,486	6,094
Loss on disposal of property and equipment	1,230	-
Change in beneficial interest in community foundation fund	3,561	2,217
(Increase) decrease in operating assets:		
Grants receivable	(182,503)	20,305
Accounts receivable	8,671	2,853
Prepaid expenses	4,646	(4,972)
Increase (decrease) in operating liabilities:		
Accounts payable	4,121	4,761
Accrued salaries and wages	<u>17,642</u>	<u>(817)</u>
Net change from operating activities	<u>(230,621)</u>	<u>5,527</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>-</u>	<u>(3,159)</u>
NET CHANGE IN CASH	(230,621)	2,368
CASH, BEGINNING OF YEAR	<u>678,967</u>	<u>676,599</u>
CASH, END OF YEAR	<u><u>\$ 448,346</u></u>	<u><u>\$ 678,967</u></u>

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS

For the year ended June 30, 2020

(with summarized comparative financial information for the year ended June 30, 2019)

1. NATURE OF OPERATIONS

Nature of Activities – Project Learn of Summit County (the Agency or Project Learn) is a nonprofit adult and family literacy agency. The Agency’s mission is to provide literacy and lifelong learning services that help adults achieve their goals as family members, workers, community members, and lifelong learners. Project Learn offers a variety of programs and services at 23 locations throughout Summit County and in the city of Kent. Project Learn offers group classes for all levels of learners, including literacy, pre-GED, GED preparation, English-as-a-Second-Language, workplace literacy, family literacy, and computer literacy classes.

All services are provided at no charge to students. Since 1982, more than 20,000 people in Summit County have been served by Project Learn’s professional staff and volunteer tutors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements are prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation – The Agency reports information regarding their financial position and activities according to two classes of net assets:

Net assets without donor restrictions are for general operations of the Agency and are not subject to donor-imposed restrictions. These net assets of the Agency may be used at the discretion of management to support the Agency’s purposes and operations.

Net assets with donor restrictions are subject to stipulations imposed by donors, and grantors. Some donor restrictions are for actions of the Agency or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Support and Contributions – The Agency has adopted ASU No. 2018-08, Not-For Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The new guidance helps distinguish if grants and contracts with resource providers are exchange transactions or contributions. Once a transaction is deemed to be a contribution, the ASU also provides guidance to help determine when a contribution is conditional and evaluates the possibility that a condition will not be met is remote. Unconditional contributions are recognized immediately and classified as either net assets with or without donor restrictions, while conditional contributions received are accounted for as a liability until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with or without restrictions. Results for reporting the year ending June 30, 2020 are presented under ASU No. 2018-08. The comparative information has not been restated and continues to be reported under the accounting standards in effect in those reporting periods. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded. The Agency does not recognize any exchange transactions

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS, Continued

For the year ended June 30, 2020

(with summarized comparative financial information for the year ended June 30, 2019)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Support and Contributions, Continued – Contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Agency receives grants from governmental agencies. The grants require the Agency provide services of approximately equal value to the amounts received under the grants. The Agency recognizes revenue from grants when eligible costs are incurred. A receivable is recorded to the extent that grants earned exceed cash advances. Conversely, deferred revenue is recorded when grant or contract cash advances exceed support earned. The grantors may, at their discretion, request reimbursement for un-allowed expenses as a result of noncompliance by the Agency with the terms of a grant. A substantial portion of Project Learn's grant revenue comes from the Ohio Board of Regents. Grants receivable include amounts that are due under various payment terms and are stated at the amount management expects to collect from balances outstanding at year end. The carrying amount of receivables is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all receivable balances that exceed 90 days from invoice date and estimates the portion, if any, of the balance that will not be collected. Additionally, management estimates an allowance for the aggregate remaining receivables based on historical collectability. In the opinion of management, there was no allowance necessary at June 30, 2020 and 2019.

Cash – Cash includes cash on hand and demand deposit accounts.

Property and Equipment – Property and equipment are stated at cost, or as to contributions in kind, at the fair market value prevailing at the date of donation. Acquisitions of property and equipment in excess of \$1,000 and expenditures for repairs, maintenance and betterments that materially prolong the useful lives of the assets are capitalized. Depreciation is provided over the estimated useful lives of the assets, ranging from three to seven years, under the accelerated method. When property is retired or otherwise disposed of, the cost of the property is removed from the asset account, accumulated depreciation is charged with an amount equivalent to the depreciation provided, and the difference is charged or credited to operations.

Functional Expenses – The financial statements report certain categories of expenses that are attributable to one of more programs or supporting functions of the Agency. Those expenses include salaries and related expenses, which are allocated based on time spent. All other expenses are charged directly to the functional category in which they relate at the time the expense is incurred.

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS, Continued

For the year ended June 30, 2020

(with summarized comparative financial information for the year ended June 30, 2019)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of 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.

Tax Status – The Agency is a nonprofit organization exempt from federal income taxes under the current provisions of the Internal Revenue Code Section 501(c)(3) and is not a private foundation.

Comparative Financial Information – The financial statements include certain prior year summarized comparative financial information in total but not by functional basis and net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Concentration of Credit Risk – The Agency maintains its cash in deposit accounts, which, at times, may exceed federally insured limits. The Agency's cash accounts exceeded federally insured limits by \$198,326, and \$440,070 at June 30, 2020 and 2019, respectively. The Agency has not experienced any significant losses in such accounts. Management of the Agency believes it is not exposed to any significant credit risk on its cash.

Subsequent Events – Management of the Agency has evaluated subsequent events through November 6, 2020, the date the financial statements were available to be issued and determined that there were no significant non-recognized subsequent events through that date.

COVID-19 - Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time, believing it reasonably possible that operations will be negatively impacted. No adjustments have been made to these financial statements as a result of this uncertainty.

3. DONATED SERVICES AND FACILITIES

The Agency receives donated services from a variety of unpaid volunteers assisting in the Agency's program services and fundraising campaigns. No amounts have been recognized in the financial statements for donated services because the criteria for recognition have not been satisfied. To be recognized in the financial statements, the donated services must create or enhance nonfinancial assets or require specialized skills which would need to be purchased if not donated.

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS, Continued

For the year ended June 30, 2020

(with summarized comparative financial information for the year ended June 30, 2019)

3. DONATED SERVICES AND FACILITIES, (Continued)

The Agency occupies, without charge, certain administrative and program facilities located in Akron. The fair rental value of these premises, including utilities and services such as security and parking, has been estimated by management at \$43,750 for the years ended June 30, 2020 and 2019. This contribution and related expense have been recorded in the accompanying financial statements.

4. BENEFICIAL INTEREST IN COMMUNITY FOUNDATION FUND

The Agency is the beneficiary under a fund administered by the Akron Community Foundation. The beneficial interest of this fund is included in the statement of financial position of the Agency at the fair value of the trust's assets, which totaled \$90,220 at June 30, 2020 and \$93,781 at June 30, 2019. Under the terms of the agreement, the Agency is to receive annual payments of up to 5% of the average market value of the fund's assets during the twelve quarters immediately preceding the disbursement. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. The Agency received cash payments of \$4,319 and \$4,223 during the years ended June 30, 2020 and 2019, respectively.

5. LIQUIDITY

The Agency manages its cash available to meet general expenditures with the following guiding principles:

- Operating within a prudent range of financial soundness and stability
- Maintaining adequate liquid assets

The following represents the Agency's financial assets available for operating expenses and capital expenditures on fixed assets within one year of the statements of financial position date at June 30:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 448,346	\$ 678,967
Grants receivable	235,430	52,927
Accounts receivable	<u>-</u>	<u>8,671</u>
Total financial assets	683,776	740,565
Less financial assets held to meet donor imposed restrictions	<u>31,500</u>	<u>69,212</u>
Amount available for general expenditure within one year	<u>\$ 652,276</u>	<u>\$ 671,353</u>

Based on the information above and projected future cash flows from operations, the Agency will have sufficient resources to sustain operations for the next 12 months.

PROJECT LEARN OF SUMMIT COUNTY**NOTES TO FINANCIAL STATEMENTS, Continued****For the year ended June 30, 2020****(with summarized comparative financial information for the year ended June 30, 2019)**

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2020</u>	<u>2019</u>
Furniture and equipment	\$ 65,946	\$ 65,946
Computers	30,688	37,584
Office machinery	22,744	22,744
Computer software	<u>2,481</u>	<u>2,481</u>
	121,859	128,755
Less accumulated depreciation	<u>117,485</u>	<u>118,665</u>
	<u>\$ 4,374</u>	<u>\$ 10,090</u>

7. NET ASSETS

Net assets without donor restrictions are available for the following purposes as of June 30:

	<u>2020</u>	<u>2019</u>
Net investment in property and equipment	\$ 4,374	\$ 10,090
Operations	<u>575,444</u>	<u>620,930</u>
	<u>\$ 579,818</u>	<u>\$ 631,020</u>

Net assets with donor restrictions have the following restrictions for time or purpose as of June 30:

	<u>2020</u>	<u>2019</u>
Business English Career Pathways	-	19,212
Project Learn program expenses	12,500	50,000
HSE+ Course	<u>19,000</u>	<u>-</u>
	<u>\$ 31,500</u>	<u>\$ 69,212</u>

Net assets with donor restrictions are restricted in perpetuity for the following purpose as of June 30:

	<u>2020</u>	<u>2019</u>
Investment in perpetuity, the income on which is expendable to support operations	<u>\$ 90,220</u>	<u>\$ 93,781</u>

Net assets with donor restrictions totaling \$56,712 were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year ended June 30, 2020. No assets were released from restriction for the year ended June 30, 2019.

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS, Continued

For the year ended June 30, 2020

(with summarized comparative financial information for the year ended June 30, 2019)

8. FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. GAAP requires the Agency to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

Valuation Techniques – Following is a description of the valuation techniques used for assets measured at fair value on a recurring basis. There have been no changes to the techniques used during the years ended June 30, 2020 and 2019.

Beneficial Interest in Community Foundation Fund – Valued using the fair value of the assets held in the fund as reported by the trustee as of June 30, 2020 and 2019. The Agency considers the measurement of its beneficial interest in the community foundation fund to be a Level 3 measurement within the hierarchy because even though that measurement is based on the unadjusted fair value of trust assets reported by the trustee, the Agency will never receive those assets or have the ability to direct the trustee to redeem them.

<u>Recurring Measurements</u>	<u>Level 3</u>	
	<u>2020</u>	<u>2019</u>
Beneficial interest in community foundation fund	\$ 90,220	\$ 93,781

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS, Continued

For the year ended June 30, 2020

(with summarized comparative financial information for the year ended June 30, 2019)

8. FAIR VALUE MEASUREMENTS, (Continued)

Unobservable (Level 3) Inputs

The activity for the beneficial interest in community foundation fund, which is measured at fair value on a recurring basis using significant unobservable inputs (Level 3 inputs), is as follows:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 93,781	\$ 95,998
Change in value	<u>(3,561)</u>	<u>(2,217)</u>
Balance, end of year	<u>\$ 90,220</u>	<u>\$ 93,781</u>

The change in value of the beneficial interest in community foundation fund is included in gains and losses in the statement of activities.

9. CONCENTRATION OF CONTRIBUTIONS OR GRANTS

The Agency received approximately 81% and 74% of its total public support and revenue, net, from one source in June 30, 2020 and 2019, respectively. Grants receivable from this revenue source totaled \$235,430 and \$52,927 and at June 30, 2020 and 2019, respectively.

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**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
Project Learn of Summit County:

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 Project Learn of Summit County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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 November 6, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Project Learn of Summit County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of Project Learn of Summit County's internal control. Accordingly, we do not express an opinion on the effectiveness of Project Learn of Summit County'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 the 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 Project Learn of Summit County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Sikich LLP

Akron, Ohio
November 6, 2020