



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

FINANCIAL STATEMENTS

**June 30, 2025
(With Summarized Comparative
Information for June 30, 2024)**

SIKICH.COM

PROJECT LEARN OF SUMMIT COUNTY

TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements.....	8-12
SUPPLEMENTARY INFORMATION	
Supplemental Schedule of Expenditures of Federal Awards	13
Notes to Supplemental Schedule of Expenditures of Federal Awards	14
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	15-16
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	17-19
Supplemental Schedule of Findings and Questioned Costs	20-21

4020 Kinross Lakes Parkway, Suite 300
Richfield, OH 44286
330.864.6661

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Project Learn of Summit County (a non-profit Agency, "the Agency"), which comprise the statement of financial position as of June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the financial position of Project Learn of Summit County as of June 30, 2025, 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 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 Project Learn of Summit County 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; 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.

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 Agency'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 Agency'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 Agency'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* 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2025 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 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 Project Learn of Summit County'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 Project Learn of Summit County's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We previously audited the Project Learn of Summit County 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in a report dated November 20, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sikich CPA LLC

Richfield, Ohio
December 4, 2025

FINANCIAL STATEMENTS

PROJECT LEARN OF SUMMIT COUNTY

STATEMENT OF FINANCIAL POSITION

June 30, 2025

(with summarized comparative financial information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 128,941	\$ 50,617
Grants receivable	<u>160,373</u>	<u>309,272</u>
Total current assets	289,314	359,889
NONCURRENT ASSETS		
Property and equipment, net	<u>46,695</u>	<u>62,782</u>
TOTAL ASSETS	<u>\$ 336,009</u>	<u>\$ 422,671</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 32,084	\$ 36,055
Accrued salaries and wages	<u>66,118</u>	<u>71,944</u>
Total current liabilities	<u>98,202</u>	<u>107,999</u>
NET ASSETS		
Without donor restrictions	225,125	225,994
With donor restrictions	<u>12,682</u>	<u>88,678</u>
Total net assets	<u>237,807</u>	<u>314,672</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 336,009</u>	<u>\$ 422,671</u>

PROJECT LEARN OF SUMMIT COUNTY

STATEMENT OF ACTIVITIES

June 30, 2025

(with summarized comparative financial information as of June 30, 2024)

	2025			
	Without Donor Restrictions	With Donor Restrictions	Total	2024
PUBLIC SUPPORT AND REVENUE				
Grants	\$ 1,200,799	\$ -	\$ 1,200,799	\$ 1,256,372
Contributions	131,178	-	131,178	107,138
Contributed facilities	43,750	-	43,750	43,750
Other revenue	13,226	-	13,226	13,764
Net assets released from restrictions	<u>75,996</u>	<u>(75,996)</u>	<u>-</u>	<u>-</u>
	<u>1,464,949</u>	<u>(75,996)</u>	<u>1,388,953</u>	<u>1,421,024</u>
Special events	15,111	-	15,111	12,104
Less direct benefit to donors	<u>(4,161)</u>	<u>-</u>	<u>(4,161)</u>	<u>(4,276)</u>
Special events, net	<u>10,950</u>	<u>-</u>	<u>10,950</u>	<u>7,828</u>
Total support and revenue, net	<u>1,475,899</u>	<u>(75,996)</u>	<u>1,399,903</u>	<u>1,428,852</u>
EXPENSES				
Program services	1,304,817	-	1,304,817	1,273,555
Supporting services:				
Management and general	136,311	-	136,311	127,477
Fundraising	<u>35,640</u>	<u>-</u>	<u>35,640</u>	<u>33,977</u>
Total expenses	<u>1,476,768</u>	<u>-</u>	<u>1,476,768</u>	<u>1,435,009</u>
CHANGE IN NET ASSETS	(869)	(75,996)	(76,865)	(6,157)
NET ASSETS, BEGINNING OF YEAR	<u>225,994</u>	<u>88,678</u>	<u>314,672</u>	<u>320,829</u>
NET ASSETS, END OF YEAR	<u>\$ 225,125</u>	<u>\$ 12,682</u>	<u>\$ 237,807</u>	<u>\$ 314,672</u>

PROJECT LEARN OF SUMMIT COUNTY
STATEMENT OF FUNCTIONAL EXPENSES

June 30, 2025

(with summarized comparative financial information as of June 30, 2024)

	2025					2024 Total
	2025 Program Services	Management and General	Fundraising	Total Supporting Services	Total	
Salaries, benefits and related expenses						
Salaries	\$ 933,745	\$ 85,904	\$ 27,422	\$ 113,326	\$ 1,047,072	\$ 995,811
Employee benefits	58,959	5,424	1,731	7,155	66,115	44,073
Payroll taxes	82,010	7,545	2,408	9,953	91,963	83,802
Total salaries, benefits and related expenses	1,074,714	98,873	31,561	130,434	1,205,150	1,123,686
Accounting fees	-	22,260	-	22,260	22,260	18,667
Public relations	6,702	-	-	-	6,702	3,274
Office supplies	9,247	707	226	933	10,180	12,058
Postage	575	44	14	58	633	1,728
Telephone	1,997	153	49	202	2,199	2,330
Copier	4,701	359	115	474	5,175	4,843
Occupancy - In-kind	39,742	3,038	970	4,008	43,750	43,750
Occupancy costs	25,524	1,951	623	2,574	28,098	31,231
Travel and conferences	6,242	477	152	629	6,871	14,448
Staff training	3,853	295	94	389	4,242	5,743
Insurance	-	2,403	-	2,403	2,403	2,376
Repairs and maintenance	1,350	103	33	136	1,486	1,657
Books	27,150	-	-	-	27,150	54,805
Instructional materials	29,121	-	-	-	29,121	37,052
Computer expenses	27,202	2,079	664	2,743	29,945	31,109
Miscellaneous	31,158	2,381	760	3,141	34,299	35,918
Total other expenses	214,564	36,250	3,700	39,950	254,514	300,989
Total expenses before depreciation	1,289,278	135,123	35,261	170,384	1,459,664	1,424,675
Depreciation	15,539	1,188	379	1,567	17,106	10,334
Total expenses	1,304,817	136,311	35,640	171,951	1,476,770	1,435,009
Additional Costs						
Costs of direct benefit to donors - food costs	-	-	4,161	4,161	4,161	4,276
TOTAL FUNCTIONAL EXPENSES	\$ 1,304,817	\$ 136,311	\$ 39,801	\$ 176,112	\$ 1,480,931	\$ 1,439,285

See accompanying notes to financial statements.

PROJECT LEARN OF SUMMIT COUNTY

STATEMENT OF CASH FLOWS

June 30, 2025

(with summarized comparative financial information as of June 30, 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (76,865)	\$ (6,157)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	17,106	10,334
(Increase) decrease in operating assets		
Grants receivable	148,899	(118,060)
Prepaid expenses	-	1,080
Increase (decrease) in operating liabilities		
Accounts payable	(3,971)	25,841
Accrued salaries and wages	<u>(5,826)</u>	<u>27,809</u>
Net change from operating activities	<u>79,343</u>	<u>(59,153)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(1,019)</u>	<u>(58,297)</u>
NET CHANGE IN CASH	78,324	(117,450)
CASH, BEGINNING OF YEAR	<u>50,617</u>	<u>168,067</u>
CASH, END OF YEAR	<u>\$ 128,941</u>	<u>\$ 50,617</u>

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS

for the year ended June 30, 2025

(with summarized comparative information for the year ended June 30, 2024)

1. NATURE OF OPERATIONS

Nature of Activities – Project Learn of Summit County (the Agency or Project Learn) is a non-profit 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.

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 temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Grants and Contributions – Grants and contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Grants and 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 grants and 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.

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS, (Continued)

for the year ended June 30, 2025

(with summarized comparative information for the year ended June 30, 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Grants and Contributions, (Continued) – The Agency has approximately \$210,472 and \$0 of conditional grants awarded but not yet recognized as of June 30, 2025 and 2024, respectively. These awards are conditional upon incurring allowable expenditures under the grants.

Grants Receivable – 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. All grants receivable are due within one year. 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, 2025 and 2024.

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 straight-line over the estimated useful lives of the assets, ranging from three to seven years. 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, employee benefits, payroll taxes, office supplies, postage, telephone copier, repairs and maintenance, computer expenses, travel and conferences, staff training and occupancy costs 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.

Use of Estimates – The preparation of financial statements in conformity GAAP 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. Therefore, no provisions for federal and state income taxes have been recorded in the statements. The Agency is no longer subject to U.S. Federal or state examinations by tax authorities for tax years prior to 2021.

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS, (Continued)

for the year ended June 30, 2025

(with summarized comparative information for the year ended June 30, 2024)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

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, 2024, 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 did not exceed federally insured at June 30, 2025 and 2024, 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 December 4, 2025, the date the financial statements were available to be issued and determined that there were no significant non-recognized subsequent events through that date.

3. CONTRIBUTED 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.

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, 2025 and 2024. The Agency valued the contributed facilities at the estimated fair value per square foot based on the current price located on a publicly available website for similar office spaces. This contribution and related expense have been recorded in the accompanying financial statements as without donor restrictions. The Agency utilizes the donated space for its programming and supporting services.

4. COMMUNITY FOUNDATION FUND

The Agency is the beneficiary of a fund administered at the Akron Community Foundation (ACF). The assets are not recorded on the statement of financial position, as these funds were donated directly to ACF. The balance of this fund was \$101,396 and \$96,085 at June 30, 2025 and 2024, respectively. The Agency received distributions of \$4,489 and \$4,484 during the years ended June 30, 2025 and 2024, respectively which are included as contributions on the statement of activities.

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS, (Continued)

for the year ended June 30, 2025

(with summarized comparative information for the year ended June 30, 2024)

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

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 128,941	\$ 50,617
Grants receivable	<u>160,373</u>	<u>309,272</u>
Total financial assets	289,314	359,889
Less: Financial assets held to meet donor imposed restrictions	<u>12,682</u>	<u>23,678</u>
AMOUNT AVAILABLE FOR GENERAL EXPENDITURE WITHIN ONE YEAR	<u>\$ 276,632</u>	<u>\$ 336,211</u>

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

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$ 160,309	\$ 130,120
Construction in progress	<u>-</u>	<u>29,170</u>
Total property and equipment	160,309	159,290
Less: Accumulated depreciation	<u>(113,614)</u>	<u>(96,508)</u>
TOTAL PROPERTY AND EQUIPMENT, NET	<u>\$ 46,695</u>	<u>\$ 62,782</u>

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO FINANCIAL STATEMENTS, (Continued)

for the year ended June 30, 2025

(with summarized comparative information for the year ended June 30, 2024)

7. NET ASSETS

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

	<u>2025</u>	<u>2024</u>
Net investment in property and equipment	\$ 46,695	\$ 62,782
Operations	<u>178,430</u>	<u>163,212</u>
TOTAL	<u>\$ 225,125</u>	<u>\$ 225,994</u>

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

	<u>2025</u>	<u>2024</u>
HSE Course West Akron	\$ -	\$ 4,293
2025 Operations	-	65,000
Other	<u>12,682</u>	<u>19,385</u>
TOTAL	<u>\$ 12,682</u>	<u>\$ 88,678</u>

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors totaling \$75,996 and \$89,507 during the years ended June 30, 2025 and 2024, respectively.

8. CONCENTRATION OF CONTRIBUTIONS OR GRANTS

The Agency received approximately 81% and 84% of its total public support and revenue, net, from one source in June 30, 2025 and 2024, respectively. Grants receivable from this revenue source totaled \$148,522 and \$309,272 and at June 30, 2025 and 2024, respectively. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Agency's programs and activities.

SUPPLEMENTARY INFORMATION

PROJECT LEARN OF SUMMIT COUNTY

SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2025

Federal Grantor/Pass-through Grantor/ Program Title	Federal ALN Number	Federal Expenditures
<u>Department of Education</u>		
Passed through the Office of Vocational and Adult Education, Ohio Board of Regents Adult Basic and Literacy Education (ABLE) ABLE Instructional Subsidy	* 84.002A	\$ 765,475
TOTAL FEDERAL EXPENDITURES		<u>\$ 765,475</u>

* Denotes major federal program

PROJECT LEARN OF SUMMIT COUNTY

NOTES TO SUPPLEMENTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ended June 30, 2025 (with summarized comparative information for the year ended June 30, 2024)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Project Learn of Summit County (the Agency) under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Agency; it is not intended to and does not present the financial position, changes in net assets, functional expenses, or cash flows of the Agency.

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

2. SUBRECIPIENTS

The Agency did not provide federal awards to subrecipients during the year ended June 30, 2025.

3. NON-CASH ASSISTANCE, LOANS OUTSTANDING, AND INSURANCE

The Agency did not receive any federal non-cash assistance, federal loans or federal insurance for the year ended June 30, 2025.

4. DE MINIMIS RATE

The Agency did not elect to use the de minimis rate of 10% for the year ended June 30, 2025.

4020 Kinross Lakes Parkway, Suite 300
Richfield, OH 44286
330.864.6661

SIKICH.COM

**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 Agency), which comprise the statement of financial position as of June 30, 2025, 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 December 4, 2025.

Report on 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) as a basis for designing 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 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Project Learn'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 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 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 CPA LLC

Richfield, Ohio
December 4, 2025

4020 Kinross Lakes Parkway, Suite 300
Richfield, OH 44286
330.864.6661

SIKICH.COM

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Project Learn of Summit County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Project Learn of Summit County's major federal programs for the year ended June 30, 2025. Project Learn of Summit County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Project Learn of Summit County's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Project Learn of Summit County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Project Learn of Summit County'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 Project Learn of Summit County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Project Learn of Summit County'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Project Learn of Summit County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Project Learn of Summit County'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 Project Learn of Summit County'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 Project Learn of Summit County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Sikich CPA LLC

Richfield, Ohio

December 4, 2025

PROJECT LEARN OF SUMMIT COUNTY

SUPPLEMENTAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

	<u>Yes</u>	<u>No</u>	<u>None Reported</u>
Type of auditor’s report issued – unmodified			
Internal control over financial reporting:			
• Material weakness(es) identified?	<u> </u>	<u>√</u>	<u> </u>
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> </u>	<u> </u>	<u>√</u>
Noncompliance material to financial statements noted?	<u> </u>	<u>√</u>	<u> </u>

Federal Awards

Internal control over major programs:			
• Material weakness(es) identified?	<u> </u>	<u>√</u>	<u> </u>
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> </u>	<u> </u>	<u>√</u>
Type of auditor’s report issued on compliance for major programs – unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2CFR Section 200. 516(a)?	<u> </u>	<u>√</u>	<u> </u>

Identification of major programs:

U.S. Department of Education
Passed through the Office of Vocational and Adult Education, Ohio Board of Regents
Adult Basic and Literacy Education (ABLE)
ABLE Instructional Subsidy
ALN 84.002A

Dollar threshold used to distinguish between type A and type B programs:			<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u> </u>	<u>√</u>	<u> </u>

PROJECT LEARN OF SUMMIT COUNTY

**SUPPLEMENTAL SCHEDULE OF FINDINGS AND QUESTIONED COSTS, (Continued)
for the year ended June 30, 2025**

Section II – Financial Statement Findings

None

Section III –Major Federal Award Programs Finding and Questioned Costs

None

Section IV – Summary of Prior Audit Findings

2024 – 001: Significant Deficiency: Activities Allowed or Unallowed: Allowable Costs/Cost Principles and Reporting - Not repeated