

Learn to Earn Dayton

Financial Statements

June 30, 2024 and 2023



FLAGEL HUBER FLAGEL
Certified Public Accountants | Business Advisors

Learn to Earn Dayton
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June 30, 2024 and 2023

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Independent Auditor's Report

To the Board of Trustees of
Learn to Earn Dayton

Opinion

We have audited the accompanying financial statements of Learn to Earn Dayton (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Learn to Earn Dayton as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Learn to Earn Dayton and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Learn to Earn Dayton'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 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.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In performing an audit in accordance with generally accepted 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 Learn to Earn Dayton'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 Learn to Earn Dayton'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.

Flagel Huber Flagel

Certified Public Accountants

Dayton, Ohio

October 22, 2024

Learn to Earn Dayton
Statements of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current Assets		
Cash, cash equivalents and restricted cash	\$ 4,489,639	\$ 2,535,441
Grants and other receivables, net - current	307,839	224,011
Grants and other receivables - related party	0	109,492
Total Current Assets	<u>4,797,478</u>	<u>2,868,944</u>
Property and Equipment, net	<u>162,140</u>	<u>194,019</u>
Other Assets		
Grants receivable - long term	<u>75,000</u>	<u>0</u>
Total Assets	<u><u>\$ 5,034,618</u></u>	<u><u>\$ 3,062,963</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 397,432	\$ 54,519
Accrued leased employee costs	0	298,397
Accrued other expenses	7,298	5,781
Refundable advance	2,458,759	1,583,580
Total Current Liabilities	<u>2,863,489</u>	<u>1,942,277</u>
Net Assets		
Without donor restrictions	1,164,867	657,640
With donor restrictions	1,006,262	463,046
Total Net Assets	<u>2,171,129</u>	<u>1,120,686</u>
Total Liabilities and Net Assets	<u><u>\$ 5,034,618</u></u>	<u><u>\$ 3,062,963</u></u>

Learn to Earn Dayton
Statement of Activities
For the Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grant and contribution revenue	\$ 3,157,499	\$ 934,746	\$ 4,092,245
Gifts in kind	56,218	0	56,218
Interest income	154,255	0	154,255
Miscellaneous	17,518	0	17,518
Net assets released from restriction	391,530	(391,530)	0
Total Support and Revenue	<u>3,777,020</u>	<u>543,216</u>	<u>4,320,236</u>
Expenses:			
Program services	2,904,437	0	2,904,437
Supporting services:			
Management and general	292,061	0	292,061
Development and grant solicitation	73,295	0	73,295
Total Expenses	<u>3,269,793</u>	<u>0</u>	<u>3,269,793</u>
Change in Net Assets	507,227	543,216	1,050,443
Net Assets - Beginning of Year	<u>657,640</u>	<u>463,046</u>	<u>1,120,686</u>
Net Assets - End of Year	<u>\$ 1,164,867</u>	<u>\$ 1,006,262</u>	<u>\$ 2,171,129</u>

The accompanying notes are an integral part of these statements.

Learn to Earn Dayton
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grant and contribution revenue	\$ 5,511,760	\$ 315,000	\$ 5,826,760
Gifts in kind	68,273	0	68,273
Interest income	1,052	0	1,052
Miscellaneous	9,778	0	9,778
Net assets released from restriction	100,000	(100,000)	0
Total Support and Revenue	<u>5,690,863</u>	<u>215,000</u>	<u>5,905,863</u>
Expenses:			
Program services	4,976,499	0	4,976,499
Supporting services:			
Management and general	338,099	0	338,099
Development and grant solicitation	61,582	0	61,582
Total Expenses	<u>5,376,180</u>	<u>0</u>	<u>5,376,180</u>
Change in Net Assets	314,683	215,000	529,683
Net Assets - Beginning of Year	<u>342,957</u>	<u>248,046</u>	<u>591,003</u>
Net Assets - End of Year	<u>\$ 657,640</u>	<u>\$ 463,046</u>	<u>\$ 1,120,686</u>

Learn to Earn Dayton
Statement of Functional Expenses
For the Year Ended June 30, 2024

	Program Services			Supporting Services		Total
	Cradle to Career	Place Based Initiatives	Program Total	Management and General	Development and Grant Solicitation	
Leased employees	\$ 298,252	\$ 919,845	\$ 1,218,097	\$ 58,787	\$ 65,023	\$ 1,341,907
Contract services	190,975	176,569	367,544	16,613	0	384,157
Consulting	47,861	0	47,861	0	0	47,861
Professional fees	0	0	0	31,276	569	31,845
Project operations	12,975	20,492	33,467	26,677	0	60,144
Grant expense	381,022	638,365	1,019,387	42,224	0	1,061,611
Travel	27,813	23,639	51,452	6,097	0	57,549
Books, subscriptions and dues	100,566	297	100,863	4,882	1,617	107,362
Office supplies	15,155	2,443	17,598	7,827	1,282	26,707
Facilities and equipment	6,291	1,963	8,254	56,635	3,273	68,162
Training and education	301	0	301	0	0	301
Donations	0	11,301	11,301	0	0	11,301
Insurance	0	0	0	8,772	0	8,772
Bank and investment fees	0	0	0	1,550	0	1,550
Bad debt	28,312	0	28,312	373	0	28,685
Depreciation	0	0	0	30,348	1,531	31,879
	<u>\$ 1,109,523</u>	<u>\$ 1,794,914</u>	<u>\$ 2,904,437</u>	<u>\$ 292,061</u>	<u>\$ 73,295</u>	<u>\$ 3,269,793</u>

The accompanying notes are an integral part of these statements.

Learn to Earn Dayton
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services					Supporting Services		Total
	Cradle to Career	Kindergarten Readiness	Equity Work	Place Based Initiatives	Program Total	Management and General	Development and Grant Solicitation	
Leased employees	\$ 401,713	\$ 2,648	\$ 0	\$ 438,435	\$ 842,796	\$ 130,565	\$ 52,109	\$ 1,025,470
Contract services	188,599	0	11,914	59,731	260,244	29,667	0	289,911
Consulting	17,550	0	0	160,669	178,219	8,443	0	186,662
Professional fees	6,744	0	0	82,438	89,182	35,857	0	125,039
Project operations	18,671	0	0	33,020	51,691	18,054	0	69,745
Grant expense	138,713	0	18,633	3,225,000	3,382,346	0	0	3,382,346
Travel	39,485	0	0	20,592	60,077	9,141	0	69,218
Advertising	5,270	0	0	0	5,270	2,250	0	7,520
Books, subscriptions and dues	31,181	0	0	8,168	39,349	7,454	2,506	49,309
Office supplies	25,380	0	0	5,663	31,043	11,667	2,287	44,997
Facilities and equipment	250	0	0	3,764	4,014	69,461	3,933	77,408
Training and education	278	0	0	2,100	2,378	0	0	2,378
Donations	10,750	0	0	10,440	21,190	500	0	21,690
Insurance	0	0	0	0	0	4,820	258	5,078
Bank and investment fees	0	0	0	0	0	1,079	0	1,079
Bad debt	8,700	0	0	0	8,700	0	0	8,700
Depreciation	0	0	0	0	0	9,141	489	9,630
	<u>\$ 893,284</u>	<u>\$ 2,648</u>	<u>\$ 30,547</u>	<u>\$ 4,050,020</u>	<u>\$ 4,976,499</u>	<u>\$ 338,099</u>	<u>\$ 61,582</u>	<u>\$ 5,376,180</u>

The accompanying notes are an integral part of these statements.

Learn to Earn Dayton
Statements of Cash Flows
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 1,050,443	\$ 529,683
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	31,879	9,630
Changes in assets and liabilities:		
Grants and other receivables	(158,828)	(117,452)
Grants and other receivables - related party	109,492	98,041
Prepaid expenses	0	1,000
Accounts payable	342,913	(383,349)
Accounts payable - related party	0	(118,970)
Accrued leased employee costs	(298,397)	202,761
Accrued other expenses	1,517	(973)
Refundable advance	875,179	(3,820,811)
Net Cash Provided by (Used in) Operating Activities	<u>1,954,198</u>	<u>(3,600,440)</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	<u>0</u>	<u>(200,290)</u>
Change in Cash, Cash Equivalents, and Restricted Cash	1,954,198	(3,800,730)
Cash, Cash Equivalents and Restricted Cash - beginning of year	<u>2,535,441</u>	<u>6,336,171</u>
Cash, Cash Equivalents and Restricted Cash - end of year	<u>\$ 4,489,639</u>	<u>\$ 2,535,441</u>

Learn to Earn Dayton

Notes to Financial Statements

June 30, 2024 and 2023

1. Organization and Purpose

Learn to Earn Dayton (“the Organization”) works to ensure that every young person in the Dayton, Ohio region is ready to learn by the time they enter kindergarten and ready to earn upon graduation from college or after earning a high-quality credential. The Organization is dedicated to fostering the success of all Montgomery County, Ohio children from birth through college graduation or the selection of a career.

2. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies followed in the preparation of the financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations.

Financial Statement Presentation

Learn to Earn Dayton reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. A description of each class as it pertains to the Organization is as follows:

Net assets without donor restrictions – Represents resources that have no restriction on their use and are available to support the Organization’s operations.

Net assets with donor restrictions – Represents resources resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of Learn to Earn Dayton pursuant to those stipulations. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Use of Estimates

The preparation of the 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 these estimates.

Tax Status and Accounting for Uncertainty in Income Taxes

A favorable determination letter has been obtained from the Internal Revenue Service, exempting Learn to Earn Dayton from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is included in these statements. However, any income from certain activities not directly related to the Organization’s tax-exempt purpose may be subject to taxation as unrelated business income.

The Organization determines the recognition of uncertain tax positions, if applicable, that may subject the Organization to unrelated business income tax necessary by applying a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with tax authorities. The Organization does not have any material uncertain tax positions, including any positions that would place the Organization’s exempt status in jeopardy at June 30, 2024. The Organization believes it is no longer subject to income tax examinations for tax years prior to June 30, 2020.

Learn to Earn Dayton

Notes to Financial Statements

June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents, and Restricted Cash

For financial statement purposes, the Organization considers all checking accounts, money market accounts, and certificates of deposit to be cash equivalents. Restricted cash represents amounts set aside due to donor restrictions.

The Organization may maintain a portion of this cash in commercial bank accounts which, at times, could exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash. Cash, cash equivalents, and restricted cash as of June 30, 2024 and 2023 consist of the following:

	<u>2024</u>	<u>2023</u>
Cash	\$ 3,635,377	\$ 2,172,395
Cash - with donor restrictions	<u>854,262</u>	<u>363,046</u>
Total cash, cash equivalents and restricted cash shown in the statements of cash flows	<u>\$ 4,489,639</u>	<u>\$ 2,535,441</u>

Grants and Other Receivables

Grants receivable represents government and foundation grants awarded to the Organization but still unpaid at year end. Other receivables represent amounts promised by donors to the Organization but still unpaid at year end. Both types of receivables are recognized at the time the award or promise is made, at the net present value of the amounts expected to be collected.

Learn to Earn Dayton uses the allowance method of accounting for bad debts. An allowance is recorded for possible losses on collection of grants and other receivable based on periodic reviews of credit risk. When balances are determined to be uncollectible, they are charged off against the allowance. Management deems a balance to be uncollectible when all internal collection efforts have been exhausted. Accounting Standards Update 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, modifies the measurement of expected credit losses on certain financial instruments and was effective for the Organization beginning July 1, 2023. Currently, the Organization has no receivables that fall under this guidance.

Property and Equipment

Property and equipment are stated at cost when purchased or at fair value when received as a donation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. The Organization reviews all repair, renovation and equipment purchases in excess of \$1,500 to determine if the cost should be capitalized.

Impairment of Long-Lived Assets

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value. No impairment losses were recognized during the years ended June 30, 2024 and 2023.

Refundable Advance

Refundable advance represents conditional grant amounts received in advance, for which the conditions to be recognized as revenue have not yet been met.

Learn to Earn Dayton

Notes to Financial Statements

June 30, 2024 and 2023

2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

The Organization recognizes revenue based on the existence or absence of an exchange transaction.

Revenues from exchange type transactions are recognized as revenue as the Organization satisfies its performance obligations by providing a service or transferring control over a product to its customers. This type of transaction can be recognized at “a point in time” or “over a period of time” depending on various factors. For the years ending June 30, 2024 and 2023, the Organization did not have any significant revenue from exchange type transactions.

Revenues from non-exchange type transactions, including contributions and reimbursement type grants, which are classified as conditional contributions, are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met.

Contributions and support that is restricted by the donor is reported as an increase in net assets without restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donated Services, Facilities, and Materials

Donated facilities and materials are recorded as in-kind contributions at their estimated fair value at the date of donation. Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. See Note 7 for details.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated to the appropriate programs and supporting services on a reasonable basis and consistently applied. The Organization charges all expenses directly related to the fulfillment of its mission to program services based on direct identification of the costs for each program. Expenses that are not directly related to a single program or activity but are indispensable to the conduct of the Organization’s programs or existence are charged to management and general. Expenses relating to activities undertaken to induce contributions are charged to development and grant solicitation. Certain administrative costs including leased employee expense and contract services are allocated on the basis of estimates of personnel time related to each activity.

Advertising Costs

Advertising costs are expensed when incurred. Advertising expense for the years ended June 30, 2024 and 2023 totaled \$0 and \$7,520, respectively.

Reclassification

Certain amounts have been reclassified in the prior year to conform to the current year’s presentation.

Learn to Earn Dayton

Notes to Financial Statements

June 30, 2024 and 2023

3. Liquidity and Availability

The following reflects the Organization's financial assets as of June 30, 2024, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year.

Cash and cash equivalents	\$ 4,489,639
Grants and other receivables	<u>382,839</u>
Total financial assets at June 30, 2024	4,872,477
Less those unavailable for general expenditures within one year, subject to:	
Satisfaction of program restrictions	(1,006,262)
Satisfaction of conditions on grants (refundable advance)	<u>(2,458,759)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,407,456</u>

The Organization is substantially supported by contributions, which may contain donor restrictions. 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. Consequently, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management policy, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. It is the policy of the Organization to regularly review and assess the need for funds to meet operating obligations and to ensure the availability of cash or collateral to fulfill those requirements.

4. Grants and Other Receivables

Grants and other receivables consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Expected to be collected in:		
Less than one year	\$ 307,838	\$ 232,711
One to five years	75,000	0
Greater than five years	<u>0</u>	<u>0</u>
Total	382,838	232,711
Less: allowance	<u>0</u>	<u>(8,700)</u>
Net	<u>\$ 382,838</u>	<u>\$ 224,011</u>

Grants and other receivables with donor restrictions at June 30, 2024 and 2023 total \$152,000 and \$100,000, respectively. See Note 6.

Bad debt expense with respect to grants receivable was \$28,685 and \$8,700 for the years ended June 30, 2024 and 2023, respectively.

Learn to Earn Dayton

Notes to Financial Statements

June 30, 2024 and 2023

5. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2024</u>	<u>2023</u>	<u>Useful Life</u>
Furniture and Equipment	\$ 213,217	\$ 213,217	3-7 years
Less: Accumulated Depreciation	<u>(51,077)</u>	<u>(19,198)</u>	
	<u>\$ 162,140</u>	<u>\$ 194,019</u>	

Depreciation expense was \$31,879 and \$9,630 for the years ended June 30, 2024 and 2023, respectively.

6. Net Assets

Net assets with donor restrictions are restricted for the following purposes or periods at June 30:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Cradle to Career:		
Devices	\$ 0	\$ 48,046
Summer and after school	40,000	25,000
3 rd grade reading	90,226	15,000
13 th year	2,000	10,000
Policy work	34,434	200,000
Attendance campaign	27,216	0
Civic education	8,264	0
Statewide Coalition policy work	575,000	0
Statewide Coalition children's funding project	22,000	0
Total Cradle to Career	<u>799,140</u>	<u>298,046</u>
Place Based Initiatives:		
K-12 schools	0	15,000
Right to council	15,000	0
Dayton youth initiative	133,570	0
NW Dayton partnership	23,470	0
Total Place Based Initiatives	<u>172,040</u>	<u>15,000</u>
Management and General:		
Strategic Planning	35,082	50,000
	<u>1,006,262</u>	<u>363,046</u>
Subject to the passage of time:	<u>0</u>	<u>100,000</u>
Total net assets with donor restrictions	<u>\$ 1,006,262</u>	<u>\$ 463,046</u>

Net assets with donor restrictions were made up of the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash	\$ 854,262	\$ 363,046
Grants receivable	152,000	100,000
	<u>\$ 1,006,262</u>	<u>\$ 463,046</u>

Learn to Earn Dayton

Notes to Financial Statements

June 30, 2024 and 2023

6. Net Assets (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time specified by donors as follows:

	<u>2024</u>	<u>2023</u>
Time restrictions accomplished	\$ 100,000	\$ 100,000
Change in donor intention	48,046	0
Purpose restrictions accomplished:		
Cradle to Career:		
Summer and after school	25,000	0
3 rd grade reading	15,000	0
13 th year	8,000	0
Policy work	165,566	0
Total Cradle to Career	<u>361,612</u>	<u>0</u>
Place Based Initiatives:		
K-12 schools	15,000	0
Management and General:		
Strategic Planning	14,918	0
	<u>\$ 391,530</u>	<u>\$ 100,000</u>

7. Contributed Nonfinancial Assets

The Organization's donated services and facilities consisted of the following at June 30:

	<u>2024</u>	<u>2023</u>	<u>Usage</u>
Legal services	\$ 0	\$ 1,451	Management and General
Donated facilities	<u>56,218</u>	<u>66,822</u>	Office space
Total services and facilities	<u>\$ 56,218</u>	<u>\$ 68,273</u>	

Donated legal services are recognized at an estimate of fair value based on current rates for similar services in similar markets.

Donated facilities are recorded at fair value which is determined based on market rate for facilities and the basis of estimated levels of personnel at each facility.

8. Leased Employees

Learn to Earn Dayton leases employees from Montgomery County Educational Service Center. The initial lease agreement covered the period of July 1, 2016 through June 30, 2017. The agreement provides for automatic renewal for successive one-year periods unless either party provides written notice of termination by January 1 of the following year. Total leased employee expense for the years ended June 30, 2024 and 2023 was \$1,341,907 and \$1,025,470, respectively.

Learn to Earn Dayton

Notes to Financial Statements

June 30, 2024 and 2023

9. Concentrations

At June 30, 2024, two donors made up approximately 80% of grants receivable. At June 30, 2023, two donors made up approximately 88% of grants receivable. For the year ended June 30, 2024, three donors made up approximately 76% of total support and revenue. For the year ended June 30 2023, one donor made up approximately 70% of total support and revenue.

10. Contingencies

Financial awards from federal, state, and local governmental entities in the form of grants are subject to compliance audits. Such audits could result in claims against Learn to Earn Dayton for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits as Learn to Earn Dayton does not believe it is at risk of such loss.

11. Related Parties

Learn to Earn Dayton is a Type I supporting organization of The Dayton Foundation, a Section 170(b)(1)(A)(vi) and 509(a)(1) organization. It is supervised or controlled in connection with The Dayton Foundation by reason of the fact that the affairs of Learn to Earn Dayton are conducted by a Board of Trustees, all of which are appointed and/or elected by the Governing Board of The Dayton Foundation.

Total amounts disbursed or committed to Learn to Earn Dayton from the Dayton Foundation for the years ended June 30, 2024 and 2023 were \$3,136,594 and \$308,754, respectively. For the years ended June 30, 2024 and 2023, \$2,003,183 and \$4,376,541, respectively, were recorded in grant and contribution revenue on the statements of activities, of which \$0 and \$102,053 are included in grants receivable at June 30, 2024 and 2023, respectively. As of June 30, 2024 and 2023, \$2,252,186 and \$1,118,775, respectively, was included in refundable advance on the statement of financial position.

Total amounts disbursed to the Dayton Foundation from Learn to Earn Dayton for the years ended June 30, 2024 and 2023 were \$62,534 and \$20,750, respectively.

For the year ended June 30, 2023, Learn to Earn Dayton was also affiliated with Preschool Promise Inc. for a portion of the year through a shared management function. This affiliation ended upon separation of the management function and there was no affiliation during the year ended June 30, 2024. At June 30, 2023, Preschool Promise Inc. owed Learn to Earn Dayton \$7,439. Total grants and other amounts paid to Preschool Promise Inc. from Learn to Earn for the year ended June 30, 2023 was \$1,285,214. At June 30, 2023, Learn to Earn Dayton had no accounts payable balance to Preschool Promise Inc.

12. Subsequent Events

Management evaluated the activity of Learn to Earn Dayton through October 22, 2024 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



In this ever-changing business environment, Flagel Huber Flagel goes beyond numbers and deadlines, returning the trust and confidence our clients place in us, with a caring partner relationship. We are committed to a collaborative search for ideas and solutions that help business organizations thrive and families build and preserve wealth. Our commitment is simple; financial and operational *insight*, service *integrity*, and problem solving *innovation*.

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