



**COMMUNITY
RESOURCES
FOR CHILDREN**

COMMUNITY RESOURCES FOR CHILDREN

**REPORT ON SINGLE AUDIT OF
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

VASIN, HEYN & COMPANY
ABOVE THE BRIGHT LINE

AN ACCOUNTANCY CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS



COMMUNITY RESOURCES FOR CHILDREN

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COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
GENERAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Agency Name:	Community Resources for Children
Program Numbers/Type:	Contract Numbers: C2AP-4036 Alternative Payment – Stage 2 C3AP-4035 Alternative Payment – Stage 3 CAPP-3039 Alternative Payment CAPP-4039 Alternative Payment CCIP-4038 Child Care Initiative Project CHST-4038 CCDF Health & Safety CRRP-4038 Resource & Referral
Type of Agency:	A California Non-Profit Corporation
Agency Address:	3299 Claremont Way, Suite 1 Napa, CA 94558
Name and Address of Executive Director:	Erika Lubensky 3299 Claremont Way, Suite 1 Napa, CA 94558
Telephone Number:	(707) 253-0376
Period Covered by Examination:	July 1, 2024 through June 30, 2025
Number of Days of Agency Operation:	246 days
Scheduled Hours of Operation Each Day:	Monday - Thursday 9:00 a.m. to 5:00 p.m. Friday 10:00 a.m. to 4:00 p.m.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Community Resources for Children
(A California Non-Profit Corporation)
Napa, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements Community Resources for Children (A California Non-Profit Corporation) 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 present fairly, in all material respects, the financial position of Community Resources for Children 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Resources for Children 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Resources for Children's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT (Continued)

Auditors' 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 auditors' 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 Community Resources for Children'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 Community Resources for Children'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.

Report on Summarized Comparative Information

We previously audited Community Resources for Children's financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 12, 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.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Community Resources for Children.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Matters

Report on Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Combining Schedule of Activities, Schedule of Claimed Equipment Expenditures, Schedule of Claimed Expenditures for Renovations and Repairs, Schedule of Claimed Administrative Costs, Schedule of Expenditures by State Categories, Notes to the Child Care and Development Program Supplemental Information and Audited Final Attendance and Fiscal Report Forms are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Combining Schedule of Activities, Schedule of Claimed Equipment Expenditures, Schedule of Claimed Expenditures for Renovations and Repairs, Schedule of Claimed Administrative Costs, Schedule of Expenditures by State Categories, Notes to the Child Care and Development Program Supplemental Information and Audited Final Attendance and Fiscal Report Forms are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and in conformity with the Audit Guide for Audits of Child Development and Nutrition Programs issued by the *California Departments of Education and Social Services (CDE & CDSS Audit Guide)*. 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 Combining Schedule of Activities, Schedule of Claimed Equipment Expenditures, Schedule of Claimed Expenditures for Renovations and Repairs, Schedule of Claimed Administrative Costs, Schedule of Expenditures by State Categories, Notes to the Child Care and Development Program Supplemental Information and Audited Final Attendance and Fiscal Report Forms are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other 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 and State Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

INDEPENDENT AUDITORS' REPORT (Continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2025, on our consideration of Community Resources for Children'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 solely 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 Community Resources for Children'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 Community Resources for Children's internal control over financial reporting and compliance.

Vorwin, Hays + Co.

Calabasas, California
December 10, 2025

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and cash equivalents	\$ 4,205,024	\$ 5,109,886
Contracts and grants receivable	1,741,403	2,074,795
Short-term investments - other	1,020,498	25,224
Deposits and prepaid expenses	16,288	11,983
Right of use lease assets	<u>189,065</u>	<u>22,130</u>
 Total assets	 <u>\$ 7,172,278</u>	 <u>\$ 7,244,018</u>
 LIABILITIES		
Accounts payable and accrued expenses	\$ 49,780	\$ 29,570
Accrued payroll and related liabilities	131,697	82,573
Provider payments payable	1,216,075	952,924
Lease liabilities	189,065	22,130
Deferred revenue	3,458,628	4,367,774
Due to State Child Development reserve	<u>290,458</u>	<u>246,785</u>
 Total liabilities	 5,335,703	 5,701,756
 COMMITMENTS AND CONTINGENCIES		
 NET ASSETS		
Without donor restrictions	<u>1,836,575</u>	<u>1,542,262</u>
 Total net assets	 <u>1,836,575</u>	 <u>1,542,262</u>
 Total liabilities and net assets	 <u>\$ 7,172,278</u>	 <u>\$ 7,244,018</u>

See accompanying auditors' reports and notes to financial statements.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>2025</u>	<u>2024</u>
REVENUE AND SUPPORT		
Governmental service contracts	\$ 14,199,412	\$ 10,719,280
Contributions and grants	764,355	712,504
Fees for services	9,011	6,920
Interest and dividend income	186,907	101,576
Realized and unrealized gain (loss) on investments, net	11,206	-
Other income	6,815	5,737
Fundraising	<u>-</u>	<u>5,691</u>
 Total revenue and support	 15,177,706	 11,551,708
EXPENSES		
Resource and referral	270,531	267,552
Alternative payment programs	10,407,020	7,767,520
Support programs from California Dept. of Social Services	3,059,803	1,983,314
CalWORKs Stage 1 program	431,401	595,752
Non-CDSS programs	660,955	645,909
Supporting services	<u>53,683</u>	<u>45,243</u>
 Total expenses	 <u>14,883,393</u>	 <u>11,305,290</u>
 CHANGE IN NET ASSETS	 294,313	 246,418
 NET ASSETS - beginning of year	 <u>1,542,262</u>	 <u>1,295,844</u>
 NET ASSETS - end of year	 <u>\$ 1,836,575</u>	 <u>\$ 1,542,262</u>

See accompanying auditors' reports and notes to financial statements.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	Program Services	Supporting Services	2025 Total Expenses	2024 Total Expenses
Salaries and related expenses				
Salaries and wages	\$ 1,676,856	\$ 25,499	\$ 1,702,355	\$ 1,418,165
Payroll taxes	128,514	1,948	130,462	113,585
Employee benefits	<u>158,543</u>	<u>3,114</u>	<u>161,657</u>	<u>135,591</u>
	1,963,913	30,561	1,994,474	1,667,341
Other expenses				
Advertising	1,447	-	1,447	1,616
Consultants and contracts	31,569	-	31,569	33,604
Dues, memberships, and fees	72,608	5,333	77,941	56,836
Insurance	12,380	-	12,380	9,610
Leased equipment	12,112	71	12,183	10,042
Materials and supplies	41,714	4,381	46,095	70,269
Occupancy	92,315	6,328	98,643	88,265
Other operating expenses	188,991	6,319	195,310	60,404
Postage and printing	6,412	128	6,540	3,885
Provider incentives	268,336	-	268,336	676,264
Provider payments	12,084,444	-	12,084,444	8,598,533
Telephone and online services	23,276	32	23,308	17,087
Training and seminars	20,038	500	20,538	7,531
Travel and conferences	<u>10,155</u>	<u>30</u>	<u>10,185</u>	<u>4,003</u>
Total Expenses	<u>\$ 14,829,710</u>	<u>\$ 53,683</u>	<u>\$ 14,883,393</u>	<u>\$ 11,305,290</u>

See accompanying auditors' reports and notes to financial statements.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 294,313	\$ 246,418
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Amortization of right of use lease assets	(166,935)	5,234
Unrealized gain (loss) on investments, net	(11,206)	-
(Increase) decrease in:		
Contracts and grants receivable	333,392	(1,835,832)
Deposits and prepaid expenses	(4,305)	(2,228)
(Increase) decrease in inventories		
Increase (decrease) in:		
Accounts payable and accrued expenses	20,210	(3,781)
Accrued payroll and related liabilities	49,124	7,503
Provider payments payable	263,151	417,018
Lease liabilities	166,935	(5,234)
Deferred revenue	(909,146)	385,927
Due to State Child Development reserve	<u>43,673</u>	<u>206,509</u>
Total adjustments	<u>(215,107)</u>	<u>(824,884)</u>
Net Cash Provided (Used) by Operating Activities	79,206	(578,466)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Short-term investment - other, net activity	<u>(984,068)</u>	<u>969,860</u>
Net Cash Provided (Used) by Investing Activities	<u>(984,068)</u>	<u>969,860</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(904,862)	391,394
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,109,886</u>	<u>4,718,492</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 4,205,024</u>	<u>\$ 5,109,886</u>
Non-Cash Supplementary Disclosure:		
Right of use asset obtained in exchange for lease obligation	<u>\$ 251,631</u>	<u>\$ -</u>
In-kind contributions	<u>\$ -</u>	<u>\$ -</u>

See accompanying auditors' reports and notes to financial statements.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. DESCRIPTION OF ORGANIZATION

General

Community Resources for Children was incorporated as a nonprofit corporation in 1978 to mobilize and coordinate the resources of Napa County to assure maximum public, private, agency and individual commitment to provide quality child care and education to the children, the families, and the community of Napa County. Community Resources for Children is supported primarily by the California Department of Social Services and other government grants as well as support from other nonprofit organizations.

Community Resources for Children provides children with the best possible start by empowering the adults who impact their care and education. Whether a child is at home with a parent, in child care or preschool, or cared for by a friend or relative, Community Resources for Children provides the adults who take care of children with the knowledge, tools, and resources so that children under their care thrive. Community Resources for Children serves as the community link to child care, providing families with access to care that meets their needs and coaching individuals in starting and growing thriving child care businesses. Community Resources for Children's school readiness programs support children in our community so that they thrive and continue to learn.

Major Programs:

Resource and Referral — The Resource and Referral program provides child care referrals and other child care information that meet the individual needs of each family.

Child Care Alternative Payment — Child Care Alternative Payment Programs provides financial assistance to help qualified families pay for child care costs while they are working, looking for employment, in school or training.

Quality Counts — Quality Counts strives to increase the quality of the early learning for young children and their families in Napa County. Through Quality Counts, Community Resources for Children (CRC) provides resources and support to early learning and care providers so they can create nurturing and effective early learning programs that support the development of the children under their care.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Community Resources for Children prepares its financial statements in accordance with generally accepted accounting principles (GAAP) promulgated in the United States of America. The significant accounting and reporting policies used by Community Resources for Children are described below to enhance the usefulness and understandability of the financial statements.

Accounting Method

Community Resources for Children maintains its accounting records on an accrual basis.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to Community Resources for Children, the accounts of Community Resources for Children are maintained in accordance with the principles of fund accounting. Fund accounting is the procedures by which resources for the various programs are classified for accounting and reporting according to the activities and objectives specified by donors, grantors, and governing boards. Separate accounts are maintained for each fund.

Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

- *Net assets without donor restrictions.* Net assets without donor restrictions are resources available to support operations. The only limits on the use of the net assets without donor restrictions are the broad limits resulting for the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.
- *Net assets with donor restrictions.* Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Community Resources for Children's unspent contributions are classified in this class if the donor limited their use, as are the unspent appreciation of its donor-restricted endowment funds. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by Community Resources for Children, unless the donor provides more specific directions about the period of its use.

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the use of the related resources is subject to donor restrictions. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

Cash is defined as cash in demand deposit accounts as well as cash on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and investments so near their maturity that the risk of changes in value due to Changes in interest rates is negligible. These are generally investments with maturity dates within three months of their acquisition date. Not included as cash equivalents are funds restricted as to their use, regardless of liquidity or the maturity dates of investments.

Contracts and Grants Receivables

Receivables consist of contracts and grants receivable and are stated at the amount management expects to collect from outstanding balances. Contracts and grants receivable are primarily comprised of revenue apportionments due from federal, state and local agencies. Accordingly, no provision for doubtful accounts has been provided for such receivables. Community Resources for Children uses the allowance method of accounting for receivables determined to be potentially uncollectable. In management's opinion, all contracts and accounts receivable were collectible at year-end. No credit losses or allowance for doubtful accounts for contracts and accounts receivable were considered necessary at June 30, 2025.

Investments – Other

Certificates of deposit held for investment that are not debt securities are included in "investments-other." Certificates of deposit with original maturities greater than three months and remaining maturities less than one year are classified as "short-term investment-other". Certificates of deposit with remaining maturities greater than one year are classified as "long-term investments-other."

Deposits and Prepaid Expenses

Deposits and prepaid insurance and other costs are expensed ratably over their respective terms of agreement.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment, Net

Property and equipment are reported in the statement of financial position at cost, if purchased, and at fair value at the date of donation, if donated. All property is capitalized. Equipment is capitalized if it has a cost of \$5,000 or more and a useful life when acquired of more than 1 year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Retirements are reflected as decreases to the property and equipment account, with a corresponding reduction in the restricted investment in fixed assets.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Computers	3 years
Furniture and Fixtures	3 -5 years
Office equipment	3 -5 years

Furniture, property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements in the current period.

Property and equipment funded by restricted grants are recorded as expenditures in the year of acquisition in accordance with the grantor's funding terms and conditions. The capital expenditures are then recapitalized, and depreciation is charged to offset the government owned liability. The individual funders or grantors retain title to those assets based on the terms and conditions of the grants.

Right of Use Lease Assets and Liabilities

Community Resources for Children recognizes and measures its leases in accordance with FASB ASC 842, Leases. Community Resources for Children is a lessee in a noncancellable operating lease for office space. Community Resources for Children determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. Community Resources for Children recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise Community Resources for Children uses its incremental borrowing rate if applicable or relative treasury bill rate.

Since Community Resources for Children does not have any borrowing debt and therefore, does not have any incremental borrowing rate, as such, the relative treasury bill rate is used for all leases. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Accrued Vacation and Sick Leave Benefits

Accumulated unpaid employee vacation benefits are recognized as a liability of Community Resources for Children. Paid personal time off (PTO) is based on the number of years of an eligible employee's continuous employment. The value of accumulated vacation benefits as of June 30, 2025 was \$102,643.

Sick leave benefits are accumulated for each employee. The employees do not gain a vested right to accumulate sick leave. Accumulated employee sick leave benefits are not recognized as a liability of Community Resources for Children since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period the benefits are taken.

Deferred Revenue

Deferred revenue consists of advance payments received for grants.

Accounting for Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions, consistent with the nature of the restriction. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as net assets with donor restrictions until the payment is due unless the contribution is clearly intended to support activities of the current fiscal year or is received with donor-restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Contributed Goods and Services

Contributions of goods received that are measurable are recorded as revenue at their estimated fair value when received. Contributions of services are recognized if the services received meet any of these criteria: (1) if they create or enhance nonfinancial assets and (2) if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. There were no contributions recorded at fair market value for the year ended June 30, 2025.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue Recognition

Contributions and unconditional grants are recognized as support and revenues when they are received or unconditionally pledged. These contributions and gifts are shown as restricted support and revenues if they are subject to time or donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions when a stipulated time restriction ends, purpose restriction is accomplished, or both. However, donor restricted contributions and grants are reported as unrestricted support and revenues if the restriction is met in the same year that the gift is received.

Conditional contributions are not recorded as support and revenues until the conditions are met. Payments classified as exchange transactions (reciprocal transfers between two entities in which goods and services of equal value is exchanged) are not recorded as other support and revenue until allowable expenditures are incurred.

Government Revenue

Government revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Government revenue from federal agencies is subject to independent audit under the Uniform Guidance and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, Community Resources for Children's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of Community Resources for Children.

Indirect Costs

Costs that benefit the operations of the entire organization are allocated according to an indirect cost allocation plan.

Presentation of Expenses

The statement of activities contains information about the costs associated with Community Resources for Children's services and how it uses its resources. This results in the expenses being reported by Community Resources for Children's major programs.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Allocation of Expenses

The costs of operating the various programs and other activities have been summarized in the combining statement of activities. Certain costs have been allocated among the programs benefited based upon Community Resources for Children's cost allocation plan.

Income Taxes

Community Resources for Children is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and California income taxes under section 23701(d) of the California Revenue and Taxation Code. The IRS classified the organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Community Resources for Children has adopted Financial Accounting Standards Board Accounting Standards Codification (ASC) Section 740-10, which clarifies the accounting for uncertainty in income taxes. ASC Section 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC Section 740-10 requires that an organization recognize in the financial statements the impact of the tax position if that position will more likely than not be sustained on audit, based on the technical merits of the position. As of and for the year ended June 30, 2025, Community Resources for Children had no material unrecognized tax benefits, tax penalties or interest.

Community Resources for Children's Forms 990, *Return of Organization Exempt from Income Tax*, for each of the tax years ended June 30, 2024, 2023, and 2022, are subject to examination by the IRS, generally for 3 years after they were filed.

Community Resources for Children's Forms 199, *California Exempt Organization Return*, for each of the tax years ended June 30, 2024, 2023, 2022, and 2021, are subject to examination by the Franchise Tax Board, generally for 4 years after they were filed.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, Community Resources for Children's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Community Resources for Children's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

Comparative Totals

The financial statements include certain prior-year summarized comparative information. 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 Community Resources for Children's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Reclassifications

Certain amounts in the 2024 comparative totals have been reclassified to conform with the 2025 reporting format.

Fair Value Measurements

Community Resources for Children reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal or most advantageous market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- *Level 1* - Quoted prices for identical assets or liabilities in active markets to which Community Resources for Children has access at the measurement date.
- *Level 2* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3* - Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

The carrying amounts of cash and cash equivalents and receivables approximate fair value because of the terms and relatively short maturity of these financial instruments. The certificates of deposit are valued at quoted market prices, which represent the net asset value of shares held by Community Resources for Children at year end.

The carrying amounts of liabilities, approximate fair value because of the relatively short maturity of these financial instruments.

When available, Community Resources for Children measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2025, are Level 1 and Level 2 inputs.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

3. CONTRACTS AND GRANTS RECEIVABLE

At June 30, 2025, accounts and grants receivable consisted of the following:

	Amount
CDSS Social Services	\$ 1,551,907
First 5 Napa	25,917
Napa County Health and Human Services	163,579
Total Contracts and Grants Receivable	<u>\$ 1,741,403</u>

In management's opinion, all contracts and accounts receivable were collectible at year-end. No allowance for doubtful accounts for contracts and accounts receivable is considered necessary at June 30, 2025.

4. SHORT-TERM INVESTMENTS – OTHER

Community Resources for Children measures fair value in accordance with FASB ASC 820-10. FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels; Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs, other than the quoted prices in active markets, are observable either directly or indirectly, and Level 3 unobservable inputs in which there is little or no market data, which requires Community Resources for Children to develop its own assumptions. Community Resources for Children uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, Community Resources for Children measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are only used when Level 1 or Level 2 inputs are not available. All assets reported at fair value at June 30, 2025, are Level 2 inputs.

Investments consist of the following at June 30, 2025:

	Level 2
Certificates of deposit	<u>\$ 1,020,498</u>
Total short-term investments	<u>\$ 1,020,498</u>

At June 30, 2025, Community Resources for Children does not have any investments measured using Level 1 or Level 3 inputs.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

5. PROPERTY AND EQUIPMENT, NET

Property and equipment at June 30, 2025 consisted of the following:

	Government Funded	Agency Owned	Total
Computers	\$ -	\$ -	\$ -
Furniture and Fixtures	-	11,669	11,669
Office Equipment	1,105	-	1,105
	1,105	13,544	12,774
Accumulated depreciation	(1,105)	(13,544)	(12,774)
Property and Equipment, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Property and equipment at June 30, 2025 was fully depreciated therefore no depreciation expense was incurred.

6. DUE TO STATE CHILD DEVELOPMENT RESERVE

Child development contractors are allowed, with prior CDSS approval, to maintain a reserve account from earned but unexpended child development contract funds for three types of programs: Center Based, Resource and Referral, and Alternative Payment. Transfers from a reserve account are considered restricted income for child development programs, but may be applied to any of the contracts that are eligible to contribute to that particular program type.

Community Resources for Children maintains a reserve account for their alternative Payment (AP) contracts and funds are deposited into an interest-bearing account. The reserve account balance at June 30, 2025, was \$290,458, which is recorded as an asset in the cash account. Also, upon termination of all Alternative Payment contracts, Community Resources for Children would have to return the reserve funds to CDSS, so the reserve account is recorded as a liability (deferred revenue) in the amount of \$290,458.

The reserve account balance of \$290,458 includes interest of \$9,982 that the bank paid on the account balances during the year ended June 30, 2025.

As of June 30, 2025, the balance for the CDSS reserve account was \$290,458.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

7. CONTINGENCIES

Contracts and Grants

Grant awards require the fulfillment of certain conditions as set forth in the instruments of grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Community Resources for Children deems this contingency remote since by accepting the grants and their terms it has accommodated the objectives of the organization to the provisions of the grants. Community Resources for Children's management is of the opinion that the organization has complied with the terms of all grants.

Legal

In the ordinary course of business, Community Resources for Children may be subject to certain lawsuits and other potential legal actions. Community Resources for Children is not aware of any pending legal matters as of June 30, 2025.

8. ALLOCATION OF EXPENSES

Community Resources for Children updates its cost allocation plans annually or more frequently when there is a need due to changes in program direct child care costs or other cost drivers. The cost allocation plan is reviewed by Community Resources for Children's auditors for compliance with applicable laws and regulations. The Director of Finance and Operation and Executive Director of Community Resources for Children review the cost allocation plan annually. Its written cost allocation plan, including descriptions and percentages, is on file in the organization's main accounting office. Community Resources for Children applies several methods for allocating costs:

Direct Costs: Costs identified 100 percent to a specific program are charged directly to that program. Shared Costs: Costs identified to multiple programs or activities are shared between the programs benefiting.

- Payroll costs are allocated using individual time distribution records that report the actual time spent by employees in each program, each day.
- Rent and associated utilities, maintenance, and insurance are allocated using the square footage of building space occupied by each program, according to floor plans and/or room measurements. Cost of common areas is shared based on the percentage of square footage occupied by each program.
- Office expenses such as supplies, postage and printing are allocated based on a transaction analysis of each of the programs.

Other expenses such as office supplies, advertising, consultants, dues/fees and memberships are allocated based on the percentage of direct operating expenses by each program to the total operating expenses of Community Resources for Children.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

9. RIGHT OF USE LEASE ASSETS AND LEASE LIABILITY

Community Resources for Children has obligations as a lessee for office space and equipment with initial noncancelable terms in excess of one year. These leases generally contain renewal options for periods ranging from three to five years. Fixed payments are due under these leases. Community Resources for Children records short-term leases (those less than 12 months in duration) as operating expenditures in the period in which the lease obligations are incurred.

At June 30, 2025, the weighted-average remaining lease term for operating leases is 25 months and the weighted-average discount rate 3.86%.

Future minimum lease payments under non-cancellable leases as of June 30, 2025 were as follows:

Amounts disclosed for ROU assets obtained in exchange for lease obligations and reductions to ROU assets resulting from reductions to lease obligations include amounts added to or reduced from the carrying amount of ROU assets resulting from new lease, lease modifications or reassessments. Maturities of lease liabilities under noncancelable operating leases are as follows:

Year Ended June 30;	Amount
2026	\$ 91,987
2027	95,407
2028	<u>5,352</u>
Total undiscounted lease payments	192,746
Less present value discount	<u>(3,681)</u>
Total lease liabilities balance	<u>\$ 189,065</u>

10. RELATED PARTY TRANSACTIONS

From time to time, Community Resources for Children purchases goods or services from entities affiliated with various Board members. Management believes these transactions have been conducted on an arms-length basis and no preferential treatment has been afforded the organization or the vendors.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

11. LIQUIDITY AND FUNDS AVAILABLE

The total financial assets held by the Community Resources for Children at June 30, 2025 and the amount of those financial assets that could be made available for general expenditure within one year of the date of the statement of financial position are summarized in the following table:

	<u>June 30, 2025</u>
Financial assets:	
Cash and cash equivalents	\$ 4,205,024
Contract and grants receivable	<u>1,741,403</u>
Total financial assets:	<u>5,946,427</u>
 Financial assets available to meet cash needs for general expenditures within one year	 <u>\$ 5,946,427</u>

In addition to existing financial assets available to meet general expenditures within one year, Community Resources for Children receives significant contributions restricted by donors and considers contributions restricted for programs, which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. Community Resources for Children manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. Community Resources for Children has a liquidity internal procedure to maintain current financial assets less current liabilities at a minimum of 60 days operating expenses and has a goal to target a year-end balance of reserves of net assets without donor restrictions at 75 to 90 days of expected operating expenditures. To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity and its reserves quarterly. During the year ended June 30, 2025 the level of liquidity and reserves was managed within the established procedures.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025
(CONTINUED)

12. CONCENTRATIONS

Concentration of Revenue Sources

During the year ended June 30, 2025, Community Resources for Children had three major revenue funding sources. The California Department of Social Services accounted for approximately 91%, the County of Napa accounted for approximately 4% and First 5 of Napa County accounted for approximately 1% of the total revenue.

Concentration of Credit Risk

Financial instruments that potentially subject Community Resources for Children to concentrations of credit risk consist principally of uninsured cash balances. Community Resources for Children places its cash deposits with high-credit, quality financial institutions. At times, balances in Community Resources for Children's cash accounts may exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. Uninsured balances at June 30, 2025 were \$2,666. All other cash assets were held into different bank accounts, among different banking institutions, and each account had a balance of less than \$250,000; therefore, all other funds were FDIC insured.

13. SUBSEQUENT EVENTS

Community Resources for Children has evaluated its financial position and activities from the June 30, 2025 year end of this report through December 10, 2025, which is the date that the financial statements were available to be issued. No material subsequent event items that required recognition or disclosure were identified.

SUPPLEMENTAL INFORMATION

**COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

	Alternative Payment C2AP-4036	Alternative Payment C3AP-4035	Alternative Payment CAPP-3039	Alternative Payment CAPP-4039	Child Care Initiative Project CCIP-4038	CCDF Health & Safety CHST-4038	Resource & Referral CRRP-4038	Alternative Payment Provider Stipends CDE Stipends 105/100	Alternative Payment Provider Stipends CDSS Stipends 105/120	Alternative Payment Program Administrative Support APP SUPPORT 110/121	Alternative Payment Program Administrative Support APP SUPPORT 110/122	Quality Counts California Quality Improvement Grant QC-QRIS 159/100	Alternative Payment Cost of Care Plus COCOP 171	Total CDSS Programs
Revenue														
Grant Income:														
Federal Programs	\$ 50,120	\$ 430,317	\$ 4,603,641	\$ 220,472	\$ 44,437	\$ 4,752	\$ 27,041	156	\$ 62,436	\$ 348,185	\$ 20,563	\$ 105,933	\$ 2,468,077	\$ 8,386,130
State Programs	359,226	183,697	4,456,616	-	2,118	-	242,313	-	-	-	-	-	-	5,243,970
Contributions and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees for services	-	115	8,896	-	-	-	-	-	-	-	-	-	-	9,011
Interest income	-	-	32,510	61,410	-	-	-	-	-	-	-	-	-	93,920
Realized and unrealized gain (loss) on investments, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	143	-	-	-	-	-	-	143
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	409,346	614,129	9,101,663	281,882	46,555	4,752	269,497	156	62,436	348,185	20,563	105,933	2,468,077	13,733,174
Expenses														
Salaries and wages	32,722	50,199	728,670	-	42,695	605	217,503	-	677	108,050	-	88,288	100,790	1,370,199
Payroll taxes	2,504	3,848	55,786	-	3,263	42	16,309	-	59	8,254	-	6,922	7,733	104,720
Employee benefits	2,957	4,532	66,141	-	2,208	78	19,123	-	57	17,480	-	6,961	9,141	128,678
Advertising	47	69	885	-	-	-	-	-	-	-	-	15	128	1,144
Consultants and contracts	927	1,389	21,085	-	2	5	49	-	129	298	-	9	5,576	29,469
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dues, memberships and fees	1,891	3,005	40,675	-	1	5	6,706	-	23	2,256	4,800	4	6,635	66,001
Insurance	326	494	7,326	-	98	1	801	-	23	46	-	330	1,474	10,919
Leased equipment	334	507	7,812	-	-	-	1,101	-	-	-	-	453	1,076	11,283
Materials and supplies	352	554	9,041	-	1	-	222	-	10	8,080	-	138	1,713	20,111
Occupancy	2,546	3,859	56,485	-	682	7	5,814	-	159	331	-	2,467	11,100	83,450
Other operating expenses	410	626	9,011	-	-	51	1,247	-	22	96,862	15,763	2	1,770	125,764
Postage and printing	214	330	4,738	-	-	-	88	-	-	10	-	1	721	6,102
Provider incentives	-	-	-	-	-	3,974	-	-	61,256	101,912	-	-	-	167,142
Provider payments	363,494	543,790	8,079,579	281,882	-	-	-	-	-	-	-	-	2,317,720	11,586,465
Small equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stipends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Telephone and online services	349	529	8,185	-	382	1	1,384	-	12	29	-	598	1,424	12,893
Training and seminars	135	202	3,254	-	-	-	64	-	8	4,709	-	1	646	9,019
Travel and conferences	138	196	2,990	-	3	-	120	-	-	2	-	115	431	3,995
Total expenses	409,346	614,129	9,101,663	281,882	49,335	4,769	270,531	-	62,435	348,319	20,563	106,304	2,468,078	13,737,354
CHANGE IN NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ (2,780)	\$ (17)	\$ (1,034)	\$ 156	\$ 1	\$ (134)	\$ -	\$ (371)	\$ (1)	\$ (4,180)

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
COMBINING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Napa First 5 Grants</u>	<u>Quality Early Learning Programs</u>	<u>Napa Valley Vintners</u>	<u>Small Projects</u>	<u>CalWorks Stage 1 Program</u>	<u>Emergency Child Care Bridge Program</u>	<u>Supporting Services</u>	<u>Total Programs and Support</u>
Revenue								
Grant Income:								
Federal Programs	\$ -	\$ -	\$ -	\$ -	\$ 431,401	\$ 137,911	\$ -	\$ 8,955,442
State Programs	-	-	-	-	-	-	-	5,243,970
Contributions and grants	138,711	290,569	178,750	55,173	-	-	101,152	764,355
Fees for services	-	-	-	-	-	-	-	9,011
Interest and dividend income	-	-	-	-	-	-	92,987	186,907
Realized and unrealized gain (loss) on investments, net	-	-	-	-	-	-	11,206	11,206
Other Income	-	-	-	6,670	-	-	2	6,815
Fundraising	-	-	-	-	-	-	-	-
Contract settlements	-	-	-	-	-	-	-	-
Total revenue	138,711	290,569	178,750	61,843	431,401	137,911	205,347	15,177,706
Expenses								
Salaries and wages	86,388	155,230	10,538	-	33,515	20,986	25,499	1,702,355
Payroll taxes	6,912	11,918	729	-	2,547	1,688	1,948	130,462
Employee benefits	4,098	14,924	6,097	-	3,051	1,695	3,114	161,657
Advertising	-	248	-	-	36	19	-	1,447
Consultants and contracts	216	494	128	-	963	299	-	31,569
Dues, memberships and fees	764	307	441	2,462	2,047	586	5,333	77,941
Insurance	322	507	23	-	420	189	-	12,380
Leased equipment	138	292	4	-	359	36	71	12,183
Materials and supplies	22	19,569	1,465	-	423	124	4,381	46,095
Occupancy	2,299	2,985	160	-	2,587	834	6,328	98,643
Other operating expenses	135	12,820	491	49,232	423	126	6,319	195,310
Postage and printing	8	7	10	-	212	73	128	6,540
Provider incentives	25,411	75,475	-	-	-	308	-	268,336
Provider payments	-	-	-	4	384,131	113,844	-	12,084,444
Telephone and online services	968	1,760	22	7,140	385	108	32	23,308
Training and seminars	6,069	814	3,417	-	156	563	500	20,538
Travel and conferences	5,407	185	384	-	146	38	30	10,185
Total expenses	139,157	297,535	23,909	58,838	431,401	141,516	53,683	14,883,393
CHANGE IN NET ASSETS	<u>\$ (446)</u>	<u>\$ (6,966)</u>	<u>\$ 154,841</u>	<u>\$ 3,005</u>	<u>\$ -</u>	<u>\$ (3,605)</u>	<u>\$ 151,664</u>	<u>\$ 294,313</u>

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF CLAIMED EQUIPMENT EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Alternative Payment C2AP-4036</u>	<u>Alternative Payment C3AP-4035</u>	<u>Alternative Payment CAPP-3039</u>	<u>Alternative Payment CAPP-4039</u>	<u>Child Care Initiative Project CCIP-4038</u>	<u>CCDF Health & Safety CHST-4038</u>	<u>Resource & Referral CRRP-4038</u>	<u>Total Costs</u>
Capitalized Equipment Expensed on the AUD with Prior Written Approval								
Item:								
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total:	-	-	-	-	-	-	-	-
Capitalized Equipment Expensed on the AUD without Prior Written Approval								
Item:								
None	-	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-	-
Total Equipment Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Community Resources for Children's capitalization threshold is \$5,000 or more.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF CLAIMED EXPENDITURES FOR RENOVATIONS AND REPAIRS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Alternative Payment C2AP-4036</u>	<u>Alternative Payment C3AP-4035</u>	<u>Alternative Payment CAPP-3039</u>	<u>Alternative Payment CAPP-4039</u>	<u>Child Care Initiative Project CCIP-4038</u>	<u>CCDF Health & Safety CHST-4038</u>	<u>Resource & Referral CRRP-4038</u>	<u>Total Costs</u>
Capitalized R&R Project Under \$10,000								
Item:								
None	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total:	-	-	-	-	-	-	-	-
Capitalized R&R Project of \$10,000 or More with Prior Written Approval:								
Item:								
None	-	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-	-
Capitalized R&R Project of \$10,000 or More without Prior Written Approval:								
Item:								
None	-	-	-	-	-	-	-	-
Total:	-	-	-	-	-	-	-	-
Total Renovations & Repairs Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Community Resources for Children's capitalization threshold is \$5,000 or more.

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF CLAIMED ADMINISTRATIVE COSTS
FOR THE YEAR ENDED JUNE 30, 2025

	Alternative Payment <u>C2AP-4036</u>	Alternative Payment <u>C3AP-4035</u>	Alternative Payment <u>CAPP-3039</u>	Alternative Payment <u>CAPP-4039</u>	Child Care Initiative Project <u>CCIP-4038</u>	Child Care Initiative Project Expansion <u>CHST-4038</u>	Resource & Referral <u>CRRP-4038</u>	Total Reimbursable
Direct payment to providers								
1000 Certified Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2000 Classified Salaries	8,137	12,502	181,430	-	7,636	556	-	210,261
3000 Employee Benefits	1,443	2,219	32,225	-	1,361	114	-	37,362
4000 Books and Supplies	134	213	3,252	-	-	-	-	3,599
5000 Services and Other Operating Expenses	2,854	4,261	64,112	-	8	20	-	71,255
6100 / 6200 Other Approved Capital Outlay	-	-	-	-	-	-	-	-
6400 New Equipment Expense	-	-	-	-	-	-	-	-
6500 Replacement Equipment	-	-	-	-	-	-	-	-
Depreciation on Asset Not Purchased with Public Funds	-	-	-	-	-	-	-	-
Start-up Expense (service level exemption)	-	-	-	-	-	-	-	-
Budget Impasse Credit Expense (service level exemption)	-	-	-	-	-	-	-	-
Indirect Costs	-	-	-	-	-	-	-	-
Total Administrative Costs Claimed for Reimbursement	<u>\$ 12,568</u>	<u>\$ 19,195</u>	<u>\$ 281,019</u>	<u>\$ -</u>	<u>\$ 9,005</u>	<u>\$ 690</u>	<u>\$ -</u>	<u>\$ 322,477</u>

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES BY STATE CATEGORIES
FOR THE YEAR ENDED JUNE 30, 2025

		<u>Alternative Payment C2AP-4036</u>	<u>Alternative Payment C3AP-4035</u>	<u>Alternative Payment CAPP-3039</u>	<u>Alternative Payment CAPP-4039</u>	<u>Child Care Initiative Project CCIP-4038</u>	<u>CCDF Health & Safety CHST-4038</u>	<u>Resource & Referral CRRP-4038</u>	<u>Total Reimbursable</u>
Direct payments to providers		\$ 363,494	\$ 543,790	\$ 8,079,579	\$ 281,882	\$ -	\$ -	\$ -	\$ 9,268,745
1000	Certificated Salaries	-	-	-	-	-	-	-	-
2000	Classified Salaries	32,722	50,199	728,670	-	42,695	605	217,503	1,072,394
3000	Employee Benefits	5,461	8,380	121,927	-	5,471	120	35,432	176,791
4000	Books, Supplies and Equipment	352	554	9,041	-	1	-	222	10,170
5000	Services/other Operating Expenses	7,317	11,206	162,446	-	1,168	4,044	17,374	203,555
6100 / 6200	Other approved capital outlay	-	-	-	-	-	-	-	-
6400	New equipment Expenses	-	-	-	-	-	-	-	-
6500	Replacement equipment	-	-	-	-	-	-	-	-
Depreciation on Assets Not Purchased with Public Funds		-	-	-	-	-	-	-	-
Start-up expenses (service level exemption)		-	-	-	-	-	-	-	-
Budget Impasse Credit Expense (service level exemption)									
Indirect costs		-	-	-	-	-	-	-	-
Total Expenses Claimed for Reimbursement		409,346	614,129	9,101,663	281,882	49,335	4,769	270,531	10,731,655
Supplemental Expenditures		-	-	-	-	-	-	143	143
Total Expenditures		<u>\$ 409,346</u>	<u>\$ 614,129</u>	<u>\$ 9,101,663</u>	<u>\$ 281,882</u>	<u>\$ 49,335</u>	<u>\$ 4,769</u>	<u>\$ 270,674</u>	<u>\$ 10,731,798</u>

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO THE CHILD CARE AND DEVELOPMENT PROGRAM
SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

In accordance with the applicable requirements from the Funding Terms & Conditions:

1. Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. Community Resources for Children had no interest expense claimed as a reimbursable expense for the year ended June 30, 2025. No interest expense relating to a line of credit was claimed to a child development contract for the year ended June 30, 2025.
2. All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. There was no related party rent expense claimed as a reimbursable expense for the year ended June 30, 2025.
3. Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2025.

AUDITED FINAL ATTENDANCE AND FISCAL REPORT FORMS

AUDITED FISCAL REPORT FOR CALWORKS, ALTERNATIVE
PAYMENT OR FAMILY CHILD CARE HOME PROGRAMS

Fiscal Year Ending	June 30, 2025
Contract Number*	C2AP4036
Vendor Code*	B524

Full Name of Contractor*	COMMUNITY RESOURCES FOR CHILDREN
--------------------------	----------------------------------

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)				

*Indicates field is required.

Contract Number

C2AP4036

Full Name of Contractor **COMMUNITY RESOURCES FOR CHILDREN****Section 2 - Reimbursable Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		363,494		363,494
1000 Certificated Salaries				
2000 Classified Salaries		32,722		32,722
3000 Employee Benefits		5,461		5,461
4000 Books and Supplies		352		352
5000 Services and Other Operating Expenses		7,317		7,317
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Total Reimbursable Expenses		409,346		409,346
Total Administrative Cost (included in Section 2 above)		12,568		12,568
Days of Operation		246		246

Approved Indirect Cost Rate:

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number

C2AP4036

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		363,494		363,494
Total Administrative Cost		12,568		12,568
Days of Operation		246		246
Total Reimbursable Expenses		409,346		409,346
Non-Reimbursable (State use only)	N/A	N/A		

Comments:

AUDITED FISCAL REPORT FOR CALWORKS, ALTERNATIVE
PAYMENT OR FAMILY CHILD CARE HOME PROGRAMS

Fiscal Year Ending	June 30, 2025
Contract Number*	C3AP4035
Vendor Code*	B524

Full Name of Contractor*	COMMUNITY RESOURCES FOR CHILDREN
--------------------------	----------------------------------

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children		115		115
Interest Earned on Child Development Apportionment Payments				
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		115		115

*Indicates field is required.

Contract Number

C3AP4035

Full Name of Contractor **COMMUNITY RESOURCES FOR CHILDREN****Section 2 - Reimbursable Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		543,790		543,790
1000 Certificated Salaries				
2000 Classified Salaries		50,199		50,199
3000 Employee Benefits		8,380		8,380
4000 Books and Supplies		554		554
5000 Services and Other Operating Expenses		11,206		11,206
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Total Reimbursable Expenses		614,129		614,129
Total Administrative Cost (included in Section 2 above)		19,195		19,195
Days of Operation		246		246

Approved Indirect Cost Rate:

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number

C3AP4035

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children		115		115
Interest Earned on Child Development Apportionment Payments				
Direct Payments to Providers		543,790		543,790
Total Administrative Cost		19,195		19,195
Days of Operation		246		246
Total Reimbursable Expenses		614,129		614,129
Non-Reimbursable (State use only)	N/A	N/A		

Comments:

AUDITED FISCAL REPORT FOR CALWORKS, ALTERNATIVE
PAYMENT OR FAMILY CHILD CARE HOME PROGRAMS

Fiscal Year Ending	June 30, 2025
Contract Number*	CAPP3039
Vendor Code*	B524

Full Name of Contractor*	COMMUNITY RESOURCES FOR CHILDREN
--------------------------	----------------------------------

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children		8,896		8,896
Interest Earned on Child Development Apportionment Payments	66,694	32,510		99,204
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)	66,694	41,406		108,100

*Indicates field is required.

Contract Number

CAPP3039

Full Name of Contractor **COMMUNITY RESOURCES FOR CHILDREN****Section 2 - Reimbursable Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers	158,592	8,079,579		8,238,171
1000 Certificated Salaries				
2000 Classified Salaries	14,310	728,670		742,980
3000 Employee Benefits	2,511	121,927		124,438
4000 Books and Supplies	257	9,041		9,298
5000 Services and Other Operating Expenses	3,743	162,446		166,189
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Total Reimbursable Expenses	179,413	9,101,663		9,281,076
Total Administrative Cost (included in Section 2 above)	6,776	281,019		287,795
Days of Operation	246			246

Approved Indirect Cost Rate:

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number

CAPP3039

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children		8,896		8,896
Interest Earned on Child Development Apportionment Payments	66,694	32,510		99,204
Direct Payments to Providers	158,592	8,079,579		8,238,171
Total Administrative Cost	6,776	281,019		287,795
Days of Operation	246			246
Total Reimbursable Expenses	179,413	9,101,663		9,281,076
Non-Reimbursable (State use only)	N/A	N/A		

Comments:

Column A1 includes corrected Interest Earned during FY 23-24.

AUDITED FISCAL REPORT FOR CALWORKS, ALTERNATIVE
PAYMENT OR FAMILY CHILD CARE HOME PROGRAMS

Fiscal Year Ending	June 30, 2025
Contract Number*	CAPP4039
Vendor Code*	B524

Full Name of Contractor*	COMMUNITY RESOURCES FOR CHILDREN
--------------------------	----------------------------------

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		61,410		61,410
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		61,410		61,410

*Indicates field is required.

Contract Number

CAPP4039

Full Name of Contractor **COMMUNITY RESOURCES FOR CHILDREN****Section 2 - Reimbursable Expenses**

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		281,882		281,882
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)				
Total Reimbursable Expenses		281,882		281,882
Total Administrative Cost (included in Section 2 above)				
Days of Operation		246		246

Approved Indirect Cost Rate:

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number CAPP4039

Full Name of Contractor COMMUNITY RESOURCES FOR CHILDREN

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		61,410		61,410
Direct Payments to Providers		281,882		281,882
Total Administrative Cost				
Days of Operation		246		246
Total Reimbursable Expenses		281,882		281,882
Non-Reimbursable (State use only)	N/A	N/A		

Comments:

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 1 - Revenue

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Match Requirement (CLPC only)			
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Match Requirement (CLPC only)			
Unrestricted Income - Other:			
Total Revenue			

*Indicates field is required.

Contract Number

CCIP4038

Full Name of Contractor **COMMUNITY RESOURCES FOR CHILDREN****Section 2 - Reimbursable Expenses**

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries	42,696	-1	42,695
3000 Employee Benefits	5,471		5,471
4000 Books and Supplies	1		1
5000 Services and Other Operating Expenses	1,168		1,168
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (include in Total Administrative Cost)			
Total Reimbursable Expenses	49,336	-1	49,335
Total Administrative Cost (included in Section 2 above)	9,005		9,005

Approved Indirect Cost Rate:

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number

CCIP4038

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 5 - Summary

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Restricted Income - Match Requirement (CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments			
Total Reimbursable Expenses	49,336	-1	49,335
Total Administrative Cost	9,005		9,005
Non-Reimbursable (State use only)	N/A	N/A	

Comments:

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 1 - Revenue

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Match Requirement (CLPC only)			
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Match Requirement (CLPC only)			
Unrestricted Income - Other:			
Total Revenue			

*Indicates field is required.

Contract Number

CHST4038

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 2 - Reimbursable Expenses

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries	605		605
3000 Employee Benefits	120		120
4000 Books and Supplies			
5000 Services and Other Operating Expenses	4,044		4,044
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (include in Total Administrative Cost)			
Total Reimbursable Expenses	4,769		4,769
Total Administrative Cost (included in Section 2 above)	690		690

Approved Indirect Cost Rate:

☒ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number CHST4038

Full Name of Contractor COMMUNITY RESOURCES FOR CHILDREN

Section 5 - Summary

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Restricted Income - Match Requirement (CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments			
Total Reimbursable Expenses	4,769		4,769
Total Administrative Cost	690		690
Non-Reimbursable (State use only)	N/A	N/A	

Comments:

Full Name of Contractor

COMMUNITY RESOURCES FOR CHILDREN

Section 1 - Revenue

	Column A Cumulative FY CDFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Transfer from Reserve (resource & referral only)			
Interest Earned on Child Development Apportionment Payments			
Unrestricted Income - Other:			
Total Revenue			

*Indicates field is required.

Contract Number

CRRP4038

Full Name of Contractor **COMMUNITY RESOURCES FOR CHILDREN****Section 2 - Reimbursable Expenses**

	Column A Cumulative FY CDFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries	217,503		217,503
3000 Employee Benefits	35,432		35,432
4000 Books and Supplies	222		222
5000 Services and Other Operating Expenses	17,230	144	17,374
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs			
Total Reimbursable Expenses	270,387	144	270,531

Approved Indirect Cost Rate:

☐ NO SUPPLEMENTAL REVENUE / EXPENSES Check this box and omit page 3.

Contract Number

CRRP4038

Full Name of Contractor **COMMUNITY RESOURCES FOR CHILDREN****Section 3 - Supplemental Revenue**

	Column A Cumulative FY CDFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other: CA Child Care Resources and Referral Network (Trustline Registrations)	143		143
Other:			
Total Supplemental Revenue	143		143

Section 4 - Supplemental Expenses

	Column A Cumulative FY CDFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses	143		143
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses	143		143

Contract Number CRRP4038

Full Name of Contractor COMMUNITY RESOURCES FOR CHILDREN

Section 5 - Summary

	Column A Cumulative FY CDFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Transfer from Reserve			
Interest Earned on Apportionment Payments			
Total Reimbursable Expenses	270,387	144	270,531
Non-Reimbursable (State use only)	N/A	N/A	

Comments:

**AUDITED RESERVE ACCOUNT
ACTIVITY REPORT**

Fiscal Year End	June 30, 2025
Reserve Account Type	Alternative Payment
Vendor Code	B524

Full Name of Contractor **COMMUNITY RESOURCES FOR CHILDREN****Section 1 - Prior Year Reserve Account Activity**

1. Beginning Balance (2023–24 AUD 9530A Ending Balance)	246,785
2. Plus Transfers to Reserve Account:	Per 2023–24 Post-Audit CDFS 9530
Contract No.C3AP3035	33,691
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Contract No.	
Total Transferred from 2023–24 Contracts to Reserve	33,691
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2023-24 Post-Audit CDFS 9530	280,476

Section 2 - Current Year (2024–25) Reserve Account Activity

	Column A CDFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve:	9,982		9,982
6. Less Transfers to Contracts from Reserve:			
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Contract No.			0
Total Transferred to Contracts from Reserve Account	0	0	0
7. Ending Balance on June 30, 2025	290,458	0	290,458

COMMENTS - If necessary, attach additional sheets to explain adjustments.

Ending balance includes \$6,634 Excess Reserve to be Billed by CDSS.

*Indicates field is required.

GOVERNMENT AUDIT INFORMATION SECTION



VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE



AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

**INDEPENDENT AUDITORS' 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
Community Resources for Children
(A California Non-Profit Corporation)
Napa, California

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 Community Resources for Children (A California Non-Profit Corporation), 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 10, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Resources for Children's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Resources for Children's internal control. Accordingly, we do not express an opinion on the effectiveness of Community Resources for Children's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Resources for Children financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Community Resources for Children's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Resources for Children's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yorin, Hryn + Co.

Calabasas, California
December 10, 2025



VASIN, HEYN & COMPANY

ABOVE THE BRIGHT LINE



AN ACCOUNTANCY CORPORATION

CERTIFIED PUBLIC ACCOUNTANTS | AUDITORS AND ADVISERS

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

To the Board of Directors of
Community Resources for Children
(A California Non-Profit Corporation)
Napa, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Resources for Children (A California Non-Profit Corporation) 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 Community Resources for Children's major federal programs for the year ended June 30, 2025. Community Resources for Children's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Resources for Children 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 Community Resources for Children 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 Community Resources for Children'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 Community Resources for Children's federal programs.

Auditors' 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 Community Resources for Children'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 Community Resources for Children'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 Community Resources for Children'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 Community Resources for Children'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 Community Resources for Children'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, no such opinion is expressed.

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 Auditors' 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.

Vorwin, Hays & Co.

Calabasas, California
December 10, 2025

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025
(FEIN: 94-2524785)

Federal Grantor, Pass-Through Grantor, Program Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Program or Award Amount	Expenditures	Non-Federal/ Match Expenditures	Payments to Subrecipients
U.S. Department of Health and Human Services						
Child Care and Development Fund Cluster:						
Passed Through California Department of Social Services						
Alternative Payment-Stipends (COVID-19)	93.575	AB 179 Stipends	\$ 156	\$ -	\$ -	\$ -
Alternative Payment-Stipends (COVID-19)	93.575	AB 110 Stipends	67,883	62,436	-	-
Alternative Payment Administrative Support (SB 104)	93.575/93.596	SB 140 Stipends	348,185	348,185	-	-
Alternative Payment Administrative Support (SB 104)	93.575/93.596	SB 140 Stipends	519,079	20,563	-	-
Quality Counts California-Quality Improvement Grant	93.575	FGRT-24-GAN-CCD-QCC-003	105,933	105,933	-	-
Cost of Care Plus Rate (SB 140)	93.575/93.596	SB 140 Stipends	2,468,078	2,468,077	-	-
Resource & Referral	93.575	CRRP-4038	27,041	27,041	-	-
Child Care Initiative Project	93.575	CCIP-4038	44,437	44,437	-	-
CCDF Health & Safety	93.575	CHST-4038	4,752	4,752	-	-
Alternative Payment	93.575/93.596	CAPP-3039	4,603,641	4,603,641	-	-
Alternative Payment	93.575	CAPP-4039	1,384,564	220,472	-	-
Alternative Payment-Stage 2	93.575	C2AP-4036	50,120	50,120	-	-
Alternative Payment-Stage 3	93.575/93.596	C3AP-4035	430,317	430,317	-	-
Child Care and Development Fund (CCDF) Cluster	93.575/93.596		10,054,186	8,385,974	-	-
Passed Through California Department of Social Services (County of Napa):						
CalWorks-Stage 1 Child Care Services	93.558	230351B	1,000,000	431,401	-	-
Emergency Child Care Bridge Program	93.558	190321B	197,025	137,911	-	-
Temporary Assistance for Needy Families	93.558		1,197,025	569,312	-	-
TOTAL FEDERAL EXPENDITURES			\$ 11,251,211	\$ 8,955,286	\$ -	\$ -
STATE FUNDING						
California Department of Social Services						
General Child Care and Development Programs						
Resource & Referral		CRRP-4038	\$ 242,313	\$ 242,313	\$ -	\$ -
Child Care Initiative Project		CCIP-4038	2,118	2,118	-	-
Alternative Payment		CAPP-3039	4,389,922	4,456,616	-	-
Alternative Payment		CAPP-4039	8,083,466	-	-	-
Alternative Payment-Stage 2		C2AP-4036	416,239	359,226	-	-
Alternative Payment-Stage 3		C3AP-4035	235,476	183,697	-	-
			13,369,534	5,243,970	-	-
TOTAL STATE EXPENDITURES			\$ 13,369,534	\$ 5,243,970	\$ -	\$ -
TOTAL FEDERAL AND STATE EXPENDITURES			\$ 24,620,745	\$ 14,199,256	\$ -	\$ -

COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards (the "Schedule") includes the federal grant activity of Community Resources for Children 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 Community Resources for Children, it is not intended to and does not present the financial position, changes in net assets or cash flows of Community Resources for Children.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

3. DE MINIMIS INDIRECT COST RATE

Community Resources for Children did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2025.

4. LOAN AND LOAN GUARANTEE

Community Resources for Children did not have any balances of loan and loan guarantee programs outstanding at June 30, 2025 for loans described in 2 CFR section 200.50(b).

**COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified.

Internal control over financial reporting:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) identified?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?

_____ Yes X No

• Significant deficiency(ies) identified?

_____ Yes X None Reported

Type of auditors' report issued on compliance for major programs

Unmodified.

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

_____ Yes X No

Identification of major programs:

Federal Assistance Listing Number(s)

93.575

93.596

Name of Federal Program or Cluster

Child Care and Development Fund (CCDF) Cluster:
Child Care Mandatory and Matching Funds of the
Child Care and Development Fund

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

**COMMUNITY RESOURCES FOR CHILDREN
(A California Non-Profit Corporation)
SCHEDULE OF CURRENT AND PRIOR YEARS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025**

CURRENT YEAR:

2025 Findings:

There were no 2025 findings noted.

2025 Questioned Costs:

There were no 2025 questioned costs noted.

PRIOR YEARS:

2024 Findings:

There were no 2024 findings noted.

2024 Questioned Costs:

There were no 2024 questioned costs noted.

2023 Findings:

There were no 2023 findings noted.

2023 Questioned Costs:

There were no 2023 questioned costs noted.