



WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
(DBA CHILD CARE AWARE OF WASHINGTON)



FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024
(WITH INDEPENDENT AUDITORS' REPORT THEREON)

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
(DBA CHILD CARE AWARE OF WASHINGTON)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Washington State Child Care Resource Referral Network
Tacoma, Washington

Opinion

We have audited the accompanying financial statements of Washington State Child Care Resource Referral Network (dba Child Care Aware of Washington) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Washington State Child Care Resource Referral Network as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Washington State Child Care Resource Referral Network and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Washington State Child Care Resource Referral Network's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements,

including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Washington State Child Care Resource Referral Network'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 Washington State Child Care Resource Referral Network's ability to continue as a going concern for a reasonable period of time.

Other Matters

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 awards, as required by Title 2 US Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2026, on our consideration Washington State Child Care Resource Referral Networks' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

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.

A handwritten signature in cursive script that reads "Lindley & Associates LLC".

Lindley & Associates LLC
February 11, 2026

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
 DBA CHILD CARE AWARE OF WASHINGTON
 STATEMENTS OF FINANCIAL POSITION
 JUNE 30, 2025 AND 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 1,719,213	\$ 1,852,029
Investments	1,053,724	1,042,387
Grants receivable	9,695,260	6,110,033
Promise to give		158,970
Prepaid expenses	169,309	66,191
Total current assets	12,637,506	9,229,610
Equipment, net	61,470	366,188
Noncurrent assets		
Security deposits	23,718	23,718
Deferred lease obligation	162,520	291,130
Total noncurrent assets	186,238	314,848
Total assets	\$ 12,885,214	\$ 9,910,646
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 8,597,217	\$ 5,018,166
Accrued payroll and related expenses	199,104	100,278
Refundable advance	219,135	219,135
Deferred lease obligation, current portion	162,520	138,403
Total current liabilities	9,177,976	5,475,982
Noncurrent liabilities		
Deferred lease obligation	-	172,448
Total noncurrent liabilities	-	172,448
Total liabilities	9,177,976	5,648,430
Total net assets		
Without donor restrictions	1,923,224	2,478,202
Without donor restrictions	1,784,014	1,784,014
Total net assets	3,707,238	4,262,216
Total liabilities and net assets	\$ 12,885,214	\$ 9,910,646

See accompanying notes to the financial statements

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
 DBA CHILD CARE AWARE OF WASHINGTON
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	2025 Total
Public support and revenue			
Governmental grants			
Federal	\$ 18,869,461	\$ -	\$ 18,869,461
State	14,542,336	-	14,542,336
Local government funding	564,356		564,356
Foundation and corporate grants	-	2,724,150	2,724,150
Contributions	16,618	-	16,618
Release from restrictions	2,724,150	(2,724,150)	-
Total operating income and support	36,716,921	-	36,716,921
Other revenue			
Membership and other	35,000	-	35,000
Investment income	58,376	-	58,376
Total other revenue	93,376	-	93,376
Total operating income, support & revenue	36,810,297	-	36,810,297
Operating expenses			
Program services	32,997,122	-	32,997,122
Management and general	4,081,678	-	4,081,678
Fund-raising	12,492	-	12,492
Total expenses	37,091,292	-	37,091,292
Change in net assets	(280,995)	-	(280,995)
Net assets at beginning of year	2,478,202	1,784,014	4,262,216
Prior period adjustment	(273,983)	-	(273,983)
Net assets at end of year	<u>\$ 1,923,224</u>	<u>\$ 1,784,014</u>	<u>\$ 3,707,238</u>

See accompanying notes to the financial statements

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
 DBA CHILD CARE AWARE OF WASHINGTON
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	2024 Total
Public support and revenue			
Government grants			
Federal	\$ 18,522,015	\$ -	\$ 18,522,015
State	14,469,572	-	14,469,572
Foundation and corporate grants	1,070,596	1,191,190	2,261,786
Contributions	7,148	-	7,148
Release from restrictions	425,813	(425,813)	
Total operating income and support	34,495,144	765,377	35,260,521
Other revenue			
Membership and other	-	-	-
Investment income	42,697	-	42,697
Total other revenue	42,697	-	42,697
Total operating income, support & reven	34,537,841	765,377	35,303,218
Operating expenses			
Program services	33,288,970	-	33,288,970
Management and general	1,359,688	-	1,359,688
Fund-raising	13,600	-	13,600
Total expenses	34,662,258	-	34,662,258
Change in net assets	(124,417)	765,377	640,960
Net assets at beginning of year	2,602,619	1,018,637	3,621,256
Prior period adjustment	-	-	-
Net assets at end of year	\$ 2,478,202	\$ 1,784,014	\$ 4,262,216

See accompanying notes to the financial statements

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
 DBA CHILD CARE AWARE OF WASHINGTON
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2025

	Program Services					Support Services			Total Expenses	
	General Programs	WA Scholarships	Professional Development	Family Supports	Early Achievers	Total Program Expenses	Management & General	Fund-raising		Total Support Expenses
Personnel Expenses	\$ 546,851	\$ 331,543	\$ 63,137	\$ 249,062	\$ 956,947	\$ 2,147,540	\$ 1,522,883	\$ 11,290	\$ 1,534,173	\$ 3,681,713
Contracted Expenses	911,384	39,948	2,302,760	3,230,350	21,583,277	28,067,719	1,811,226	-	1,811,226	29,878,945
Operating Expenses	66,174	38,770	80,968	30,245	286,091	502,248	489,702	1,194	490,896	993,144
Communications	47,387	9,290	-	31,749	10,110	98,536	90,935	-	90,935	189,471
Meetings & Conferences	22,764	2,356	-	1,056	16,654	42,830	12,751	-	12,751	55,581
Travel Expenses	15,916	10,000	727	33,588	38,550	98,781	58,506	8	58,514	157,295
Scholarship Expenses	-	1,704,822	-	-	153	1,704,975	-	-	-	1,704,975
Regional Support	77,310	8,689	-	83,168	165,326	334,493	1,851	-	1,851	336,344
Other Expenses	-	-	-	-	-	-	93,824	-	93,824	93,824
Total Expenses	\$ 1,687,786	\$ 2,145,418	\$ 2,447,592	\$ 3,659,218	\$ 23,057,108	\$ 32,997,122	\$ 4,081,678	\$ 12,492	\$ 4,094,170	\$ 37,091,292

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
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 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2024

	Program Services			Support Services		Total Expenses
	Early Care and Education	Child Care and Resource	Total Program Expenses	Management & General	Fund-raising	
Salary and wages	\$ 1,594,483	\$ 275,489	\$ 1,869,972	\$ 600,468	\$ 10,172	\$ 2,480,612
Payroll tax expense	396,573	58,475	455,048	165,802	1,655	622,505
Employee benefits	-	-	-	-	-	-
	1,991,056	333,964	2,325,020	766,270	11,827	3,103,117
Contract services	25,992,210	-	25,992,210	-	-	25,992,210
Scholarships	1,956,039	-	1,956,039	-	-	1,956,039
Professional fees	334,458	603,186	937,644	99,179	488	1,037,311
Training & technology services	530,968	23,738	554,706	263,171	-	817,877
Incentives & recognitions	613,256	51,385	664,641	108	-	664,749
Travel & meetings	251,010	79,362	330,372	19,668	-	350,040
Communications	121,333	48,368	169,701	23,531	-	193,232
Occupancy	110,733	19,428	130,161	38,551	1,160	169,872
Office & miscellaneous	25,246	13,492	38,738	63,882	120	102,740
Evaluation services	90,127	-	90,127	-	-	90,127
Miscellaneous	66,860	88	66,948	15,420	5	82,373
Cirriculum & Training	26,094	480	26,574	11,270	-	37,844
Depreciation	-	-	-	33,159	-	33,159
Insurance	-	-	-	17,023	-	17,023
Printing and publication	6,017	72	6,089	8,456	-	14,545
Total	\$ 32,115,407	\$ 1,173,563	\$ 33,288,970	\$ 1,359,688	\$ 13,600	\$ 34,662,258

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
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 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities		
Change in net assets	\$ (554,978)	\$ 640,960
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	30,736	262,521
Disposal of equipment	273,982	-
Change in operating assets and liabilities:		
Grants receivable	(3,585,227)	1,479,405
Pledges receivable	158,970	(158,970)
Prepaid expenses	(103,118)	8,330
Deferred lease obligation	128,610	139,743
Accounts payable	3,579,051	(602,871)
Accrued payroll and payroll taxes	98,826	(187,860)
Accrued compensated absences	-	7,349
Net cash from operating activities	26,852	1,588,607
Cash flows from investing activities		
(Purchase) sale of investments	(11,337)	(1,262,987)
Net cash from investing activities	(11,337)	(1,262,987)
Cash flows from financing activities		
Payments on capital lease obligations	(148,331)	(138,403)
Net cash from financing activities	(148,331)	(138,403)
Net change in cash and cash equivalents	(132,816)	187,217
Cash and cash equivalents at beginning of period	1,852,029	1,664,812
Cash and cash equivalents at end of period	\$ 1,719,213	\$ 1,852,029

See accompanying notes to the financial statements.

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
DBA CHILD CARE AWARE OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Note 1 - Description of Organization

The Washington State Child Care Resource & Referral Network dba Child Care Aware of Washington (CCA of WA) (the Organization) is a nonprofit organization dedicated to ensuring that every child in Washington has access to high-quality child care and early learning programs. As a statewide organization, we influence child care and early learning policies while also delivering the means to make a positive difference for all children, including those furthest from opportunity.

Created by state statute in 1986 and incorporated in 1989, the CCA of WA Network, formerly known as the Washington State Child Care Resource and Referral Network, is the only association of child care resource and referral agencies in the State of Washington.

Washington Regional Network of six local-member child care resource and referral programs: The Organization manages six host organizations statewide. They subcontract with these organizations to provide local child care resource and referral services, which include, but are not limited to:

child care provider training,
technical assistance and coaching,
infant and early childhood mental health consultation, and
outreach to parents and family, friends and neighbor caregivers.

This serves as an information hub for the child care and early learning fields; leads and contributes to state and national policy and advocacy efforts; and collects, compiles, analyzes and disseminates child care supply and demand data.

Information and support in early care and education (birth to 12 years): The Organization is the State's most thorough and accessible source of information and support. They work alongside families, child care providers, caregivers, and communities to meet the diverse and specialized learning needs of every child in the state. Data and stories are used to influence policy makers, system leaders and our partners to ensure every child in Washington has equitable access to quality learning experiences.

Early Achievers, Washington's Quality Rating and Improvement System: The Organization provides implementation that delivers high-quality training and professional development opportunities to child care providers across the state. Early Achievers services are delivered using a cadre of relationship-based professional development staff that utilize research-based and culturally-responsive best practices with providers so they may offer high quality care and early learning experiences that improve the lives of children and families, and helps close the opportunity gap.

Scholarships for early learning professionals: The Organization directly impacts early learning professionals who can enrich their expertise via higher education. They currently fund scholars who are pursuing a bachelor's degree in early childhood education.

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Child care programs and state child care subsidies: The Organization connects families to high-quality programs through the Family Center, an online resource, assisting over 7,000 families annually.

Management and general activities include the functions necessary to provide support for the Organization's program activities. They include activities that provide governance (Board of Directors), oversight business management, financial recordkeeping, budgeting, legal services, human resource management, and similar functions that ensure an adequate working environment and an equitable employment program.

Fundraising activities include publicizing and conducting fundraising campaigns; maintaining donor lists; conducting special fundraising events; and other activities involved with soliciting contributions from corporations, foundations, individuals, and others.

Note 2 - Significant Accounting Policies

Basis of accounting

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (US GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

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, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization's management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Net assets

The financial statements report on 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 these net assets are the broad limits resulting from 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 subject to donor (or certain grantor) restrictions. Some donor (or grantor) restrictions are temporary in nature, such as those that will be met by

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the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. The Organization reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

Classification of transactions

All revenue and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Cash and cash equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Grants receivable

Grants receivable are primarily unsecured non-interest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding accounts receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided. A significant portion of the grants receivable are from one vendor.

Property and equipment

Property and equipment additions over \$5,000 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and

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repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Some government grants and contracts contain a reversionary interest in fixed assets purchased with such funding. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, as follows:

Right of Use Leased Assets and Liabilities

Right to use leased assets and the related liabilities are recognized at the lease commencement date and represent the Organization's right to use an underlying asset and lease obligations for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right to use leased assets are amortized over the shorter of the lease term or the useful life of the underlying asset using the straight-line method. The amortization period varies among the leases.

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 period 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 year 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 contributions is clearly intended to support activities of the current fiscal year or is received with permanent 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.

Grant revenue

Grant revenue is recognized when the qualifying costs are incurred under cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the (Federal) Office of Management and Budget's audit requirements for federal awards 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, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

Functional allocation of expenses

Federal award contracts, as passed through the State of Washington, include specific performance requirements for some of the activities that are often considered management and supporting services. For example, the statements of work in the contracts require the CCA of WA to provide technical assistance to member agencies; to administer the Washington scholarships program; to operate a public information telephone line; and to

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provide information to child care professionals and the general public regarding resource and referral services in Washington. The performance of these services and their associated costs are considered program functions.

These costs are identified and allocated to certain overhead expenses, when material, to functional categories on the basis of overall CCA of WA efforts expended in these areas. Allocated expenses during the years ended June 30, 2025 and 2024, primarily include salaries, rent and insurance, among other costs.

Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities. Advertising costs are expense as incurred.

Tax status

The Organization is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the organization are tax deductible to donors under Section 170 of the IRC. The Organization is not classified as a private foundation.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Management of the Organization has evaluated events and transactions occurring after June 30, 2025, through the date of this report, the date the financial statements were available for issuance, for recognition or disclosure in the financial statements. There were no events or transactions that require recognition and disclosures in the financial statements.

Note 3 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at December 31:

	2025	2024
Financial assets available to meet cash needs:		
Cash and cash equivalents	\$ 1,719,213	\$ 1,852,029
Investments	1,053,724	1,042,387
Grants receivable	9,695,260	6,110,033
Total financial assets	\$ 12,468,197	\$ 9,004,449

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Note 4 - Fair Value Measurements and Disclosures

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. 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 assets or liabilities measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. However, Level 1 inputs are not available for many of the assets and liabilities the Organization is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Organization's financial statements are:

- Recurring measurement of short-term investments.
- Recurring measurement of long-term investments.

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
 DBA CHILD CARE AWARE OF WASHINGTON
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 AND 2024

Note 5 – Investments

Investments consist of the following at June 30:

	2025 Fair Value	2024 Fair Value
Treasury obligations	\$ 638,274	\$ -
Money market and other	13,233	673,846
Equity funds	167,020	150,666
Exchange traded funds	235,197	217,875
Total investments	<u>\$ 1,053,724</u>	<u>\$ 1,042,387</u>

As discussed in Note 2 (Fair Value Measurements) to these financial statements, the Organization is required to report its fair value measurements in one of three levels, which are based on the ability to observe in the marketplace the inputs to the Organization’s valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of June 30, 2025 and 2024, including investments measured at NAV if the NAV is determined as the fair value per share (unit) is published, and is the basis for current transactions. Level 2 is for investments measured using inputs such as the quoted prices for similar assets or quoted prices for identical assets in inactive markets. Level 3 is for investments measured using inputs that are unobservable, and is used for situations for which there is little, if any, market activity for the investment.

The Organization uses the following ways to determine the fair value of its instruments:

Treasury obligations: Determined by discounting the future value of the coupon payments by an appropriate discount rate.

Money market funds: Determined by the published “floating” NAV per unit at the end of the last trading day of the year, this is the basis for transactions at that date.

Equity funds: Determined by the closing price on the last business day of the fiscal year.

Exchange traded funds: Determined by the published closing price on the last trading day of the fiscal year.

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
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JUNE 30, 2025 AND 2024

The following tables summarize the levels in the fair value hierarchy of the Organization's investments at June 30:

2025	Level 1	Level 2	Level 3	Total
Investments				
Treasury obligations	\$ 638,274	\$ -	\$ -	\$ 638,274
Money market and other	13,233	-	-	13,233
Equity funds	-	167,020	-	167,020
Exchange traded funds	-	235,197	-	235,197
Total investments	<u>\$ 651,507</u>	<u>\$ 402,217</u>	<u>\$ -</u>	<u>\$ 1,053,724</u>
2024	Level 1	Level 2	Level 3	Total
Investments				
Treasury obligations	\$ -	\$ -	\$ -	\$ -
Money market and other	673,846	-	-	673,846
Equity funds	-	150,666	-	150,666
Exchange traded funds	-	217,875	-	217,875
Total investments	<u>\$ 673,846</u>	<u>\$ 368,541</u>	<u>\$ -</u>	<u>\$ 1,042,387</u>

Note 6 – Equipment

Equipment consisted of the following at June 30:

	2025	2024
Office equipment	\$ -	\$ 476,242
Computer equipment	92,205	402,419
	92,205	878,661
Less: accumulated depreciation and amortization	(30,735)	(512,473)
	<u>\$ 61,470</u>	<u>\$ 366,188</u>

Note 7 – Operating Lease Commitments

CCA of WA has an operating lease for office space that expired July 2023 and was extended through July 2026. Operating leases are included in Right of Use (ROU) assets and operating lease liabilities in the statement of financial position. ROU assets represent a right to use an underlying asset for the lease term and operating lease liabilities represent the CCA of WA's obligation to make lease payments arising from the lease. The discount rate represents CCA of WA's election of the risk-free rate. Nonlease components, such as payments required for common area maintenance, are not included in the lease liability and are expensed as incurred. The remaining lease commitment is \$162,520 for the year ended June 30, 2025,

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
 DBA CHILD CARE AWARE OF WASHINGTON
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 AND 2024

Note 8 - Net Assets with Donor Restrictions

Net assets with restrictions to the following programs and purposes at December 31:

	2025	2024
Purpose restricted		
Child Compensation/Stipends	\$ 1,596,187	\$ 1,514,957
Statewide Coaching program(s)	60,042	135,511
Family, Friends and Neighbors program(s)	-	20,899
Time restricted	127,785	112,647
	\$ 1,784,014	\$ 1,784,014

Note 9- Retirement Plan

Effective July 1, 2000, the Organization began sponsoring a benefits and retirement plan that is available to substantially all employees where employees receive a total benefit allowance per month and can allocate the allowance to pay for medical and other benefits, with the remainder allocated to their retirement plan, or the whole amount allocated to their retirement account if other benefits are not selected. Under the plan, employees may elect to defer a portion of their salary subject to annual limits under section 403(b) of the Internal Revenue Code.

CCA of WA contributed a total of \$274 and \$270 per employee per month for the years ended June 30, 2025 and 2024, respectively. The contribution depends on elections made, with the employee deciding how much, if any, to contribute to their individual 403(b) retirement account. The total employer 403(b) contributions for the years ended June 30, 2025 and 2024, was \$78,852 and \$97,371, respectively.

Note 10 - Concentration of Risk

The Washington State Department of Children, Youth and Families Services (grants and fees for service) funding was approximately 89% and 93% of total revenue for the years ended June 30, 2025 and 2024, respectively.

The majority of the Organization's contributions and grants are received from corporations, foundations and individuals in the local area and from local government agencies. As such, the Organization's ability to general resources via contributions and grants is dependent on the economic health of that area and the state.

The Organization's investments are subject to various risks, such as interest rate, credit, and overall market volatility risk. Further, because of the significance of the investments to the Organization's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

Management is of the opinion that the diversification of the invested assets amount the various asset classes should mitigate the impact of changes in any one class.

Note 11. Prior Period Adjustment

During the year ended June 30, 2025, the Organization identified that certain assets were fully depreciated and remained on the fixed asset schedule.

As a result, the Company has corrected these errors by restating the June 30, 2025, financial statements. The adjustments resulted in a decrease in fixed assets by \$786,456, a decrease in accumulated depreciation of \$448,576, and a decrease in net assets of \$337,878.

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
DBA CHILD CARE AWARE OF WASHINGTON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

SUPPLEMENTARY REPORTS AND SCHEDULES
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND THE UNIFORM GUIDANCE

Washington State Child Care Resource Referral Network
 DBA CHILD CARE AWARE OF WASHINGTON
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Assistance Listing	Grant Period	Pass-Through Entity Identifying Number	Federal Expenditures	Total By Agency	Major Program
US Department of Health and Human Services						
<u>Pass through WA Dept Children, Youth and Families</u>						
Child Care & Development Block Grant	93.575	7/1/2024 - 6/30/2025	2303WACCDF	\$ 14,444,900		
Child Care & Development Block Grant	93.575	7/1/2024 - 6/30/2025	2103WACDC6	646,226		
Child Care & Development Block Grant	93.575	7/1/2024 - 6/30/2025	2503WACCDD	3,484,351		
				<u>18,575,477</u>	\$ 18,575,477	X
<u>Pass through WA Dept Children, Youth and Families</u>						
Every Student Succeeds Act	93.434	7/1/2024 - 6/30/2025	90TP013701	293,983	\$ 293,983	
Total US Department of Health and Human Services					<u>\$ 18,869,460</u>	
Total Expenditure of Federal Awards					<u>\$ 18,869,460</u>	

See accompanying notes.

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
DBA CHILD CARE AWARE OF WASHINGTON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2025

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Washington State Child Care Resource Referral Network 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 Title 2 US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Washington State Child Care Resource Referral Network, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Washington State Child Care Resource Referral Network.

Note 2. 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Washington State Child Care Resource Referral Network has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditors' Report

To the Board of Directors
Washington State Child Care Resource Referral Network
Tacoma, Washington

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 State, the financial statements of Washington State Child Care Resource Referral Network (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 11, 2026.

Report on Internal Control over Financial Reporting

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

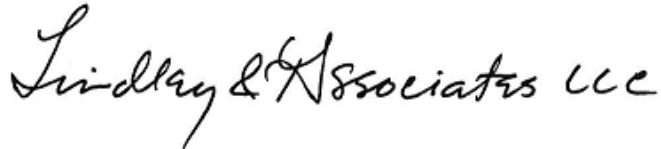
Our consideration of internal control was for the limited purpose described of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items Finding 2025-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington State Child Care Resource Referral Network' 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 required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in black ink that reads "Lindley & Associates LLC". The signature is written in a cursive, flowing style.

Lindley & Associates LLC
Bellevue WA
February 11, 2026



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Board of Directors
Washington State Child Care Resource Referral Network
Tacoma Washington

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Washington State Child Care Resource Referral Network' 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 Washington State Child Care Resource Referral Network' major federal programs for the year ended June 30, 2025. Washington State Child Care Resource Referral Network' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Washington State Child Care Resource Referral Network 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 Washington State Child Care Resource Referral Network 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 Washington State Child Care Resource Referral Network' 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 Washington State Child Care Resource Referral Network' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Washington State Child Care Resource Referral Network' 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 Washington State Child Care Resource Referral Network' 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 Washington State Child Care Resource Referral Network' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Washington State Child Care Resource Referral Network'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 Washington State Child Care Resource Referral Network' internal control over compliance. Accordingly, no such opinion is expressed.

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


Report on Internal Control over Compliance

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

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

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

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

A handwritten signature in black ink that reads "Lindley & Associates LLC". The signature is written in a cursive, flowing style.

Lindley & Associates LLC
Bellevue WA
February 11, 2026

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
 DBA CHILD CARE AWARE OF WASHINGTON
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2025 AND 2024

I – SUMMARY OF AUDITORS' RESULTS

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

Modified

Internal control over financial reporting:
 Material weakness(es) identified:

_____yes x no

Significant deficiency identified
 that are not considered to be material
 weakness(es)?

 x yes _____no

Noncompliance material to the financial
 statements noted?

_____yes x no

Federal Awards

Internal control over major programs:
 Material weakness(es) identified:

_____yes x no

Significant deficiency identified
 that are not considered to be
 material weakness(es) ?

_____yes x no

Type of auditors' report issued on compliance
 for major federal award programs:

Unmodified

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

_____yes x no

Identification of major programs:

<u>CFDA</u>	<u>Name of Federal Program or Cluster</u>
93.575	Child Care & Development Block Grant

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

\$1,000,000

Auditee qualified as low-risk auditee:

 x yes _____no

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
DBA CHILD CARE AWARE OF WASHINGTON
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025 AND 2024

II Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

US DEPARTMENT OF HEALTH AND HUMAN SERVICES
ALS 93.575 CHILD CARE AND DEVELOPMENT GRANT

- A. Significant Deficiency in Internal Control over Fixed Assets
Finding related to the Financial Statement Audit

Finding 2025-001 Internal Control over Cash Receipts and Disbursements

Condition: During audit procedures, we noted the fixed asset schedule had not been reconciled in several years and included assets that were fully depreciated, and obsolete due to age. We noted the schedule did not reconcile to the balance sheet asset valuation of cost and accumulated depreciation,

Cause: The Organization relied on a method of tracking assets outside of a fixed asset schedule and was calculating depreciation in that manner.

Criteria: Nonprofit GAAP

39.100 Tangible capital assets should be recorded at cost if acquired in exchange transactions or at fair value if contributed. The capitalized cost, less salvage value, generally should be charged to expense (i.e. depreciated) over the assets' estimated useful life in a systematic and rational manner.

Effect: Not maintaining a depreciation schedule or failing to record depreciation may result in inaccurate financial statements, incorrect tax reporting, if applicable (and potential penalties), and an inability to plan for asset replacement. Without this schedule, an organization cannot verify the existence, value, or proper depreciation of its assets, leading to financial and operational risks. This also may lead to "ghost assets", items remaining on the schedule that have been lost, stolen or disposed of. It may also overstate net income and inflate asset values on the balance sheet.

Recommendation: Assets that meet the criteria of fixed assets are to be recorded in a subsidiary ledger and depreciated accordingly. When obsolete assets are disposed of, they should be deleted from the schedule.

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
DBA CHILD CARE AWARE OF WASHINGTON
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025 AND 2024

Management's Response:

- Recommendation: Assets that meet the criteria of fixed assets are to be recorded in a subsidiary ledger and depreciated accordingly. When obsolete assets are disposed of, they should be deleted from the schedule.
 1. Create a new, clean subsidiary ledger to replace existing information with clean information post audit
 2. Integrate fixed asset ledger with new accounting system
 3. Track asset life and disposal for remaining and new fixed assets with inventory control tags
- Responsible Party: Alan Strand, Director of Finance and Operations
- Completion Date: March 31, 2026

Monitoring & Follow-Up:

Institute mid year and end of year inventory audits to make sure new items are tracked properly and disposed of items are removed from the fixed assets ledger.

III Findings and Questioned Costs for Federal Awards

None

WASHINGTON STATE CHILD CARE RESOURCE REFERRAL NETWORK
DBA CHILD CARE AWARE OF WASHINGTON
SUMMARY SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

NONE

Corrective Action Plan

- **Recommendation:** Assets that meet the criteria of fixed assets are to be recorded in a subsidiary ledger and depreciated accordingly. When obsolete assets are disposed of, they should be deleted from the schedule.
 2. Create a new, clean subsidiary ledger to replace existing information with clean information post audit
 3. Integrate fixed asset ledger with new accounting system
 4. Track asset life and disposal for remaining and new fixed assets with inventory control tags
- **Responsible Party:** Alan Strand, Director of Finance and Operations
- **Completion Date:** March 31, 2026

Monitoring & Follow-Up:

Institute mid year and end of year inventory audits to make sure new items are tracked properly and disposed of items are removed from the fixed assets ledger.

Contact Person:

Alan Strand, Director of Finance and Operations

253-533-6793

alan@childcareawarewa.org