



**child care**  
**RESOURCE CENTER**

**AUDITED  
FINANCIAL STATEMENTS**

**YEARS ENDED  
JUNE 30, 2025 AND 2024**

# CHILD CARE RESOURCE CENTER, INC.

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Child Care Resource Center, Inc.  
Lorain, Ohio

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Child Care Resource Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025 and the related statements of activities and changes in net assets, 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 Child Care Resource Center, Inc. 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 Child Care Resource Center, Inc. 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 Child Care Resource Center, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### 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.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

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 Child Care Resource Center, Inc.'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 Child Care Resource Center, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

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

### **Report on Summarized Comparative Information**

We have previously audited the Child Care Resource Center, Inc.'s June 30, 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 27, 2025. 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2026 on our consideration of the Child Care Resource Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Child Care Resource Center, Inc.'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 the Child Care Resource Center, Inc.'s internal control over financial reporting and compliance.

*Barnes Wendling CPAs*

Sheffield Village, Ohio  
February 17, 2026

# CHILD CARE RESOURCE CENTER, INC.

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## Statements of Financial Position

	June 30,	
	2025	2024
<b>ASSETS</b>		
Cash and cash equivalents	\$ 329,895	\$ 74,336
Receivables:		
Grants receivable	280,687	396,501
Meal reimbursement receivables	234,994	256,744
Accounts receivable	9,047	53,697
Prepaid expenses	5,667	-
Property and equipment, net	157,595	169,861
	<b>\$ 1,017,885</b>	<b>\$ 951,139</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Payables:		
Accounts payable	\$ 68,108	\$ 36,278
Meal reimbursement payable	235,691	256,744
Accrued payroll and related expenses	24,328	16,294
	328,127	309,316
<b>Net Assets</b>		
Without donor restriction		
Undesignated	465,758	457,823
Board reserve	184,000	184,000
	649,758	641,823
With donor restriction	40,000	-
	689,758	641,823
	<b>\$ 1,017,885</b>	<b>\$ 951,139</b>

See Notes to Financial Statements

## CHILD CARE RESOURCE CENTER, INC.

### Statements of Activities and Changes in Net Assets

Year Ended June 30, 2025 with Summarized Information for the Year Ended June 30, 2024

	Without Donor Restriction	With Restriction	2025	2024
<b>Revenue and other support</b>				
Government grant contracts	\$ 3,554,068		\$ 3,554,068	\$ 3,468,763
Program service fees	120,898		120,898	144,548
Contributions	55,326	\$ 60,000	115,326	47,661
Other income	8,226		8,226	9,228
Total revenues and other support	3,738,518	60,000	3,798,518	3,670,200
Net assets released from restriction	20,000	(20,000)	-	-
	3,758,518	40,000	3,798,518	3,670,200
<b>Expenses</b>				
Program services:				
Child and adult care food program	2,044,040	-	2,044,040	1,953,819
Parent, provider, and community services	1,638,473	-	1,638,473	1,541,585
Other programs	47,973	-	47,973	66,300
	3,730,486	-	3,730,486	3,561,704
Management and general	20,097	-	20,097	38,476
Total expenses	3,750,583	-	3,750,583	3,600,180
Changes in net assets	7,935	40,000	47,935	70,020
<b>Net assets, beginning of year</b>	641,823	-	641,823	571,803
<b>Net assets, end of year</b>	<b>\$ 649,758</b>	<b>\$ 40,000</b>	<b>\$ 689,758</b>	<b>\$ 641,823</b>

See Notes to Financial Statements

## CHILD CARE RESOURCE CENTER, INC.

### Statement of Functional Expenses Year Ended June 30, 2025

	Child and Adult Care Food Program	Parent, Provider, and Community Services	Other Programs	Total Program Expenses	Management and General	Total
Salaries and wages	\$ 256,262	\$ 1,103,493	\$ 20,981	\$ 1,380,736	\$ 4,191	\$ 1,384,927
Provider expenses	1,715,603	-	-	1,715,603	-	1,715,603
Program supplies and related costs	426	191,343	16,601	208,370	2,235	210,605
Professional fees and contracted services	13,663	35,140	452	49,255	259	49,514
Training and travel	19,076	55,128	267	74,471	308	74,779
Occupancy and office	2,242	68,129	1,427	71,798	778	72,576
Information technology	29,381	57,804	6,543	93,728	40	93,768
Scholarships	-	44,550	-	44,550	-	44,550
Repairs and maintenance	3,974	32,794	169	36,937	19	36,956
Depreciation and amortization	3,392	14,606	278	18,276	55	18,331
Insurance	-	10,177	126	10,303	-	10,303
Marketing	-	569	9	578	-	578
Miscellaneous	21	24,740	1,120	25,881	12,212	38,093
<b>Total Expenses</b>	<b>\$ 2,044,040</b>	<b>\$ 1,638,473</b>	<b>\$ 47,973</b>	<b>\$ 3,730,486</b>	<b>\$ 20,097</b>	<b>\$ 3,750,583</b>

See Notes to Financial Statements

## CHILD CARE RESOURCE CENTER, INC.

### Statement of Functional Expenses Year Ended June 30, 2024

	Child and Adult Care Food Program	Parent, Provider, and Community Services	Other Programs	Total Program Expenses	Management and General	Total
Salaries and wages	\$ 222,950	\$ 1,048,779	\$ 576	\$ 1,272,305	\$ 590	\$ 1,272,895
Provider expenses	1,646,759	-	-	1,646,759	-	1,646,759
Program supplies and related costs	17,590	109,872	44,311	171,773	2,260	174,033
Professional fees and contracted services	8,723	78,846	635	88,204	112	88,316
Training and travel	29,488	36,891	622	67,001	479	67,480
Occupancy and office	2,223	46,954	10,111	59,288	14,539	73,827
Information technology	26,047	48,378	6,145	80,570	-	80,570
Scholarships	-	50,964	-	50,964	-	50,964
Repairs and maintenance	-	44,502	-	44,502	-	44,502
Depreciation and amortization	-	-	-	-	18,291	18,291
Insurance	-	9,609	-	9,609	-	9,609
Grants to third party	-	43,781	-	43,781	-	43,781
Marketing	-	4,540	-	4,540	-	4,540
Miscellaneous	39	18,469	3,900	22,408	2,205	24,613
<b>Total Expenses</b>	<b>\$ 1,953,819</b>	<b>\$ 1,541,585</b>	<b>\$ 66,300</b>	<b>\$ 3,561,704</b>	<b>\$ 38,476</b>	<b>\$ 3,600,180</b>

See Notes to Financial Statements

## CHILD CARE RESOURCE CENTER, INC.

### Statements of Cash Flows

	Years Ended June 30,	
	2025	2024
<b>Cash Flows From Operating Activities</b>		
Changes in net assets	\$ 47,935	\$ 70,020
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation and amortization	18,331	18,291
(Increase) decrease in assets		
Grants receivable	115,814	7,592
Meal reimbursement receivables	21,750	(63,284)
Accounts receivable	44,650	(36,412)
Prepaid expenses	(5,667)	-
Increase (decrease) in liabilities		
Accounts payable	31,830	(27,101)
Meal reimbursement payable	(21,053)	63,284
Accrued payroll and related expenses	8,034	410
Net cash and cash equivalents provided by operating activities	261,624	32,800
<b>Cash Flows From Investing Activities</b>		
Purchase of property and equipment	(6,065)	-
Net cash and cash equivalents used in investing activities	(6,065)	-
Net increase in cash and cash equivalents	255,559	32,800
Cash and cash equivalents at beginning of year	74,336	41,536
<b>Cash and cash equivalents at end of year</b>	<b>\$ 329,895</b>	<b>\$ 74,336</b>

See Notes to Financial Statements

# CHILD CARE RESOURCE CENTER, INC.

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## Notes to Financial Statements Years Ended June 30, 2025 and 2024

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Activities**

Child Care Resource Center, Inc. (the Organization) is a regional resource and referral agency dedicated to the well-being of children through a quality child care delivery system. To accomplish this mission, the Organization actively helps families find child care; recruits, trains, and supports caregivers; provides start-up information for child care programs; collects data for community planning; and advocates and supports laws and programs that make quality child care affordable and accessible. The agency provides services for five counties (Erie, Huron, Lorain, Sandusky, and Seneca) in North Central Ohio.

#### **Basis of Accounting**

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Furthermore, the accounting policies adhered to by the Organization are generally consistent with the *Audit and Accounting Guide for Not-For-Profit Entities* issued by the American Institute of Certified Public Accountants.

#### **Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

#### **Net Assets without Donor Restrictions**

Net assets not subject to donor imposed restrictions. This category includes board designated reserves to be utilized for future needs of the Organization.

#### **Net Assets with Donor Restrictions**

Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources to be maintained in perpetuity.

#### **Summarized Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principals generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

# CHILD CARE RESOURCE CENTER, INC.

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## Notes to Financial Statements Years Ended June 30, 2025 and 2024

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization's cash balances may exceed the federally insured amount from time to time.

#### **Accounts Receivables and Credit Policies**

Accounts receivables are uncollateralized customer obligations due under normal trade terms due on the 30<sup>th</sup> day of the month following billing and bear no interest on the unpaid balance. Accounts receivables are stated at the amount management expects to collect from balances outstanding at year-end. Management monitors outstanding balances and writes off balances deemed uncollectible. At June 30, 2025 and 2024, and July 1, 2023, accounts receivable were \$9,047, \$53,697, and \$17,285, respectively.

The Organization operates in the child care resource and referral industry and its accounts receivable are primarily derived from child care providers. At each statement of financial position date, the Organization evaluates the need for expected reserve for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded and calculated on a pooled basis where similar risk characteristics exist.

The reserve estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. Based on the Organization's revenue and cash flow forecasts, the Organization is anticipating no change in expected credit losses than have been incurred in the past. As a result, management has determined no reserve for credit losses should be recorded.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery. Credit loss expense was \$2,337 and \$-0- for the years ended June 30, 2025 and 2024, respectively.

# CHILD CARE RESOURCE CENTER, INC.

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## Notes to Financial Statements Years Ended June 30, 2025 and 2024

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Grants and Meal Reimbursement Receivables

Grants and meal reimbursement receivables as of June 30, 2025 and 2024 consist of funds awarded from the government. All grants and meal reimbursement receivables are due within one year.

#### Property and Equipment

The Organization capitalizes assets greater than \$3,500 in cost and with a useful life greater than one year. Property and equipment are recorded at historical cost. Property and equipment costs are depreciated using the straight-line method over the assets' estimated useful lives. Property and equipment costs are accounted for as follows:

	<u>Estimated Useful Life</u>
Building and building improvements	3 - 39 Years
Office equipment and furniture	5 - 7 Years

Property and equipment consist of the following:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Building and improvements	\$ 352,008	\$ 352,008
Office equipment and furniture	21,314	15,249
	<u>373,322</u>	<u>367,257</u>
Less: accumulated depreciation	215,727	197,396
	<u>\$ 157,595</u>	<u>\$ 169,861</u>

All expenses for repairs and maintenance not adding to the useful life of property and equipment are expensed in the period incurred. Depreciation expense for the years ended June 30, 2025 and 2024 was \$18,331 and \$18,291, respectively.

# CHILD CARE RESOURCE CENTER, INC.

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## Notes to Financial Statements Years Ended June 30, 2025 and 2024

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Revenue Recognition**

##### *Government Grant Contracts*

The Organization's government grant contract revenue is derived from cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. The Organization has cost-reimbursable grants of \$68,878 and \$436,618 not recognized at June 30, 2025 and 2024, respectively, because qualifying expenditures have not yet been incurred.

##### *Program Service Fees*

The Organization's program service fee revenue is derived from registration fees associated with training and professional development programs. The Organization's training and professional development programs are delivered through various methods on a wide range of topics. The Organization's trainings help participants meet state licensing requirements, achieve higher levels of Step Up to Quality, and earn national credentials or college-level credit. Program services fees are recognized as revenue when the training and professional development programs take place. Deferred revenue exists when program service fees are received for training and professional development programs taking place in the next fiscal year.

##### *Contributions*

The Organization recognizes contributions in the period in which cash, securities, pledge or grant (unconditional promises to give), or a notification of a beneficial interest is received. Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized as contributions and grants until the conditions on which they depend are substantially met. Donor restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restriction.

#### **Tax Status**

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization evaluates at each statement of financial position date uncertain tax positions taken, if any, to determine the need to record liabilities for taxes, penalties, and interest. The Organization's policy is to record interest and penalties on uncertain tax provisions as income tax expense. As of June 30, 2025 and 2024, the Organization had no accrued taxes, interest, or penalties related to uncertain tax positions. The Organization has determined there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

#### **Functional Allocation of Expenses**

The financial statements report certain categories of expenses attributed to more than one program or supporting function. Expenses identified with a specific program or supporting function are recorded directly according to their natural and functional expense classification. Certain expenses relate to more than one function and require allocation on a reasonable basis consistently applied. The expenses allocated are based on estimates of level of effort.

# CHILD CARE RESOURCE CENTER, INC.

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## Notes to Financial Statements Years Ended June 30, 2025 and 2024

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions affecting certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Reclassifications

Certain amounts in the 2024 financial statements have been reclassified to conform to the June 30, 2025 reporting presentation. These reclassifications did not have any effect on previously reported assets, liabilities, net assets, or changes in net assets.

#### Subsequent Events

Subsequent events have been evaluated through February 17, 2026, which is the date these financial statements were available to be issued.

### NOTE B - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors the availability of resources required to meet its operating needs while striving to maximize the use of its available funds. For purposes of analyzing resources available to meet general expenditures over a twelve month period, the Organization considers all expenditures related to its ongoing programs and support services to be general expenditures. The Organization also has access to a line of credit, with \$75,000 available to meet cash needs. See Note C for further details. Additionally, the Organization's board has designated a portion of its resources without donor restriction as a board designated reserve. These funds remain available and may be spent for general expenditures at the discretion of the board. In addition to the financial assets available to meet general expenditures over the next twelve months, the Organization generally operates with a balanced budget and anticipates collecting sufficient revenue to cover the portion of general expenditures not covered by the financial assets listed below.

The table below presents financial assets available for general expenditures within one year:

	June 30,	
	2025	2024
Cash and cash equivalents	\$ 145,895	\$ 74,336
Receivables:		
Grants receivable	240,687	396,501
Meal reimbursement receivables	234,994	256,744
Accounts receivable	9,047	53,697
Financial assets available to meet the cash need for general expenditures within one year	<u>\$ 630,623</u>	<u>\$ 781,278</u>

# **CHILD CARE RESOURCE CENTER, INC.**

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## **Notes to Financial Statements Years Ended June 30, 2025 and 2024**

### **NOTE C - LINE OF CREDIT**

The Organization has a demand line of credit with a bank with maximum borrowings of \$75,000 at the prime interest rate (7.50% at June 30, 2025) plus 1.00%. The line of credit is collateralized by the Organization's building. The Organization had outstanding borrowings of \$-0- at both June 30, 2025 and 2024. The line of credit renews on an annual basis.

### **NOTE D - BOARD DESIGNATED NET ASSETS AND RESTRICTED NET ASSETS**

Net assets of \$184,000 were board designated as an operating reserve at June 30, 2025 and 2024. Restricted net assets at June 30, 2025 is \$40,000 and is for tuition assistance.

### **NOTE E - RETIREMENT PLAN**

The Organization has established a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The Organization can make discretionary contributions if sufficient operating cash exists at year-end. All employees of the Organization are eligible to participate. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. There were no employer contributions for the years ended June 30, 2025 and 2024.

### **NOTE F - CONCENTRATIONS**

For the years ended June 30, 2025 and 2024, approximately 80% of the Organization's revenue is derived from grants from the Federal government passed through various departments of the State of Ohio. The current level of the Organization's operations and program services may be impacted or segments discontinued if the funding is not renewed.

### **NOTE G - FUNDS HELD BY COMMUNITY FOUNDATION**

During 2025, donors contributed assets to the Erie County Community Foundation (Foundation) to be held and administered for the benefit of the Organization. The assets are subject to the Foundation's variance power. Accordingly, the Organization has not recognized a beneficial interest asset related to these amounts. The Organization recognized revenue when distributions are received from the Foundation. The fair value of the assets held by the Foundation as of June 30, 2025 was \$66,727.

**TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200  
AUDIT REQUIREMENTS**

**CHILD CARE RESOURCE CENTER, INC.**

**Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2025**

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Current Year Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Department of the Health and Human Services</b>				
Passed through Ohio Department of Job and Family Services Child Care and Development Block Grant	93.575	G21010HCCDDF	\$ 1,276,935	\$ -
<i>Total U.S. Department of Health and Human Services - CCDF Cluster</i>			1,276,935	-
<b>U.S. Department of Agriculture</b>				
Passed through Ohio Department of Education Child and Adult Care Food Program	10.558	111773	2,032,614	1,715,603
<i>Total U.S. Department of Agriculture</i>			2,032,614	1,715,603
Total Federal Expenditures:			<u>\$ 3,309,549</u>	<u>\$ 1,715,603</u>

See Notes to the Schedule  
of Expenditures of Federal Awards

# **CHILD CARE RESOURCE CENTER, INC.**

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## **Notes to the Schedule of Expenditures of Federal Awards Year Ended June 30, 2025**

### **NOTE A - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Child Care Resource Center, Inc. (the Organization) and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

### **NOTE B - 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The Organization has not elected to use the 10% or 15% de-minimis indirect cost rate as allowed under the Uniform Guidance for notices of awards dated before October 1, 2024 and for awards dated on or after October 1, 2024, respectively.

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*

The Board of Directors  
Child Care Resource Center, Inc.  
Lorain, Ohio

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 Child Care Resource Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets without donor restriction, 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 February 17, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Child Care Resource Center, Inc.'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 Child Care Resource Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Child Care Resource Center, Inc.'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.

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 (CONTINUED)*

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Child Care Resource Center, Inc.'s 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 statement. 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 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.

*Barnes Wendling CPAs*

Sheffield Village, Ohio  
February 17, 2026

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

The Board of Directors  
Child Care Resource Center, Inc.  
Lorain, Ohio

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Child Care Resource Center, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Child Care Resource Center, Inc.'s major federal programs for the year ended June 30, 2025. Child Care Resource Center, Inc.'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, Child Care Resource Center, Inc. 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 (GAAS); 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Child Care Resource Center, Inc. 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 Child Care Resource Center, Inc.'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 Child Care Resource Center, Inc. federal programs.

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

***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 Child Care Resource Center, Inc.'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 the Child Care Resource Center, Inc.'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 Child Care Resource Center, Inc.'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 the Child Care Resource Center, Inc.'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 Child Care Resource Center, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control over Compliance**

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

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

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.

*Barnes Wendling CPAs*

Sheffield Village, Ohio  
February 17, 2026

# CHILD CARE RESOURCE CENTER, INC.

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## Schedule of Findings and Questioned Costs Year Ended June 30, 2025

### Section I - Summary of Auditors' Results

#### Financial Statements

Type of auditors' report issued:	<u>Unmodified</u>	
Internal control over financial reporting:		
Material weakness(es) identified?	____yes	__x__no
Significant deficiency(ies) identified not considered to be material weaknesses?	____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 not considered to be material weaknesses?	____yes	__x__none reported
Type of auditors' report issued on compliance for major programs:	<u>Unmodified</u>	
Any audit findings disclosed required to be reported in accordance with Federal Register 2 CFR Part 200, Subpart F?	____yes	__x__no

#### CFDA Numbers

#### Name of Federal Program or Cluster

10.558	Child and Adult Care Food Program
Dollar threshold used to distinguish Type A and Type B programs:	\$ 750,000
Auditee qualified as a low risk auditee?	__x__yes      ____no

### Section II – Financial Statement Findings

No findings were noted.

### Section III – Federal Award Findings and Questioned Costs

No findings were noted.