

Child Start, Inc.

Wichita, Kansas

Financial Statements
and Supplementary Information

Years Ended April 30, 2025 and 2024



Child Start, Inc.

Years Ended April 30, 2025 and 2024

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Independent Auditor's Report

Board of Directors
Child Start, Inc.
Wichita, Kansas

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Child Start, Inc. (a nonprofit organization), which comprise the statements of financial position as of April 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 present fairly, in all material respects, the financial position of Child Start, Inc. as of April 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 ("GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Child Start, Inc. 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 Child Start, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Child Start, 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 Start, 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of program activity, Schedules A-1 to A-4, and the schedule of expenditures of federal awards, Schedules B, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2025, on our consideration of Child Start, 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 Child Start, 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 Child Start, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin

November 23, 2025

Child Start, Inc.

Statements of Financial Position

April 30, 2025 and 2024

	<i>Assets</i>	2025	2024
Current assets:			
Cash		\$ 1,320,699	\$ 1,283,044
Grants receivable		555,870	890,496
Accounts receivable		19,721	21,349
Promises to give, net		27,576	25,974
Prepaid expenses		57,058	57,150
Total current assets		1,980,924	2,278,013
Other assets:			
Promises to give, net of current portion		731,598	759,224
Right-of-use operating lease assets, net		861,202	1,070,393
Right-of-use finance lease assets, net		3,936,872	4,406,403
Property and equipment, net		1,627,611	1,820,219
Total other assets		7,157,283	8,056,239
TOTAL ASSETS		\$ 9,138,207	\$ 10,334,252
<i>Liabilities and Net Assets</i>			
Current liabilities:			
Current portion of operating lease obligations		\$ 224,458	\$ 209,902
Current portion of finance lease obligations		380,435	366,405
Accounts payable		183,122	641,061
Deferred revenue and refundable advance liability		2,554	16,665
Accrued expenses		481,758	431,814
Total current liabilities		1,272,327	1,665,847
Long-term liabilities:			
Operating lease obligations		639,731	864,279
Finance lease obligations		4,268,434	4,649,837
Total long-term liabilities		4,908,165	5,514,116
Total liabilities		6,180,492	7,179,963
Net assets:			
Without donor restrictions		2,194,747	2,365,299
With donor restrictions		762,968	788,990
Total net assets		2,957,715	3,154,289
TOTAL LIABILITIES AND NET ASSETS		\$ 9,138,207	\$ 10,334,252

See accompanying notes to financial statements.

Child Start, Inc.

Statements of Activities

Years Ended April 30, 2025 and 2024

	2025		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue:			
Grant revenue	\$ 13,721,152	\$ 0	\$ 13,721,152
Donations	57,866	2	57,868
Interest income	269	0	269
Other income	60,033	0	60,033
Contributed nonfinancial assets	1,056,277	0	1,056,277
Net assets released from restrictions	26,024	(26,024)	0
Total revenue	14,921,621	(26,022)	14,895,599
Expenses:			
Program services:			
Early childhood education	12,592,519	0	12,592,519
Early childhood connections program	502,020	0	502,020
Food programs	341,335	0	341,335
Other outreach	43,672	0	43,672
Total program services	13,479,546	0	13,479,546
Support services:			
Management and general	1,612,627	0	1,612,627
Total expenses	15,092,173	0	15,092,173
Change in net assets	(170,552)	(26,022)	(196,574)
Net assets - Beginning of year	2,365,299	788,990	3,154,289
Net assets - End of year	\$ 2,194,747	\$ 762,968	\$ 2,957,715

See accompanying notes to financial statements.

Child Start, Inc.

Statements of Activities (Continued)

Years Ended April 30, 2025 and 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 14,450,312	\$ 0	\$ 14,450,312
Donations	44,296	0	44,296
Interest income	268	0	268
Other income	88,920	0	88,920
Loss on lease termination	(1,393,933)	0	(1,393,933)
Contributed nonfinancial assets	1,180,387	0	1,180,387
Net assets released from restrictions	1,567,680	(1,567,680)	0
Total revenue	15,937,930	(1,567,680)	14,370,250
Expenses:			
Program services:			
Early childhood education	12,951,297	0	12,951,297
Early childhood connections program	522,179	0	522,179
Food programs	300,763	0	300,763
Other outreach	322,943	0	322,943
Total program services	14,097,182	0	14,097,182
Support services:			
Management and general	1,503,568	0	1,503,568
Total expenses	15,600,750	0	15,600,750
Change in net assets	337,180	(1,567,680)	(1,230,500)
Net assets - Beginning of year	2,028,119	2,356,670	4,384,789
Net assets - End of year	\$ 2,365,299	\$ 788,990	\$ 3,154,289

See accompanying notes to financial statements.

Child Start, Inc.

Statements of Functional Expenses

Years Ended April 30, 2025 and 2024

	2025							
	Program Services				Support Services			
	Early Childhood Education	Early Childhood Connections	Food Programs	Other Outreach	Total Program Services	Management and General	Total Expenses	
Salaries and benefits	\$ 8,122,852	\$ 340,400	\$ 0	\$ 3,814	\$ 8,467,066	\$ 1,243,202	\$ 9,710,268	
Contractual	753,356	7,056	0	7,094	767,506	37,298	804,804	
Repairs and maintenance	221,896	1,555	0	125	223,576	4,683	228,259	
Rent and utilities	576,150	49,541	0	10,928	636,619	78,124	714,743	
Travel and training	223,843	19,924	0	6,508	250,275	48,540	298,815	
Supplies	291,933	63,303	0	14,265	369,501	21,649	391,150	
Program activities	14,251	4,300	341,335	0	359,886	0	359,886	
Other	208,852	10,865	0	385	220,102	130,724	350,826	
Insurance	151,443	1,806	0	0	153,249	22,465	175,714	
Printing and postage	18,109	3,270	0	553	21,932	7,918	29,850	
Depreciation and amortization	639,376	0	0	0	639,376	18,024	657,400	
Interest expense	288,207	0	0	0	288,207	0	288,207	
In-kind expenses	1,082,251	0	0	0	1,082,251	0	1,082,251	
Total expenses	\$ 12,592,519	\$ 502,020	\$ 341,335	\$ 43,672	\$ 13,479,546	\$ 1,612,627	\$ 15,092,173	

See accompanying notes to financial statements.

Child Start, Inc.

Statements of Functional Expenses (Continued)

Years Ended April 30, 2025 and 2024

	2024							
	Program Services				Support Services			
	Early Childhood Education	Early Childhood Connections	Food Programs	Other Outreach	Total Program Services	Management and General	Total Expenses	
Salaries and benefits	\$ 8,271,074	\$ 348,301	\$ 0	\$ 13,148	\$ 8,632,523	\$ 1,117,205	\$ 9,749,728	
Contractual	760,034	8,635	0	38,043	806,712	41,808	848,520	
Repairs and maintenance	165,167	1,394	0	1,525	168,086	2,603	170,689	
Rent and utilities	584,186	61,446	0	2,011	647,643	89,745	737,388	
Travel and training	268,136	18,769	0	10,422	297,327	30,850	328,177	
Supplies	203,447	71,430	0	254,820	529,697	46,079	575,776	
Program activities	59,938	0	300,763	211	360,912	0	360,912	
Other	208,664	6,370	0	2,355	217,389	147,700	365,089	
Insurance	147,454	1,599	0	0	149,053	20,042	169,095	
Printing and postage	16,938	4,235	0	408	21,581	7,181	28,762	
Depreciation and amortization	607,678	0	0	0	607,678	355	608,033	
Interest expense	309,261	0	0	0	309,261	0	309,261	
In-kind expenses	1,349,320	0	0	0	1,349,320	0	1,349,320	
Total expenses	\$ 12,951,297	\$ 522,179	\$ 300,763	\$ 322,943	\$ 14,097,182	\$ 1,503,568	\$ 15,600,750	

See accompanying notes to financial statements.

Child Start, Inc.

Statements of Cash Flows

Years Ended April 30, 2025 and 2024

	2025	2024
Increase (decrease) in cash:		
Cash flows from operating activities:		
Changes in net assets	(\$ 196,574)	(\$ 1,230,500)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	657,400	608,033
Loss on lease termination	0	1,393,933
Loss on sale of property and equipment	4,739	0
Amortization of discount on promises to give to in-kind contributions (	46,402)	(65,654)
Non-cash promises to give recognized in in-kind expenses	72,426	239,401
Non-cash lease expense	209,191	518,247
Changes in operating assets and liabilities:		
Grants receivable	334,626 (	287,636)
Accounts receivable	1,628 (	7,091)
Prepaid expenses	92	6,632
Accounts payable (	457,939)	260,421
Deferred revenue and refundable advance liability (	14,111)	(210,483)
Accrued expenses	49,944	77,158
Right-of-use operating lease obligations (	209,992)	(542,118)
Net cash from operating activities	405,028	760,343
Cash flows from investing activities:		
Purchases of property and equipment	0 (	554,754)
Net cash from investing activities	0 (	554,754)
Cash flows from financing activities:		
Payments of finance lease obligations (	367,373)	(335,620)
Net cash from financing activities (	367,373)	(335,620)
Changes in cash	37,655 (	130,031)
Cash - Beginning of year	1,283,044	1,413,075
Cash - End of year	\$ 1,320,699	\$ 1,283,044
Supplemental schedule of other cash activity:		
Interest paid on finance lease obligations	\$ 288,207	\$ 309,261

See accompanying notes to financial statements.

Child Start, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Child Start, Inc. (the "Organization") was organized as a nonprofit organization in 1958. The Organization's mission is to provide early childhood development services that prepare children for lifelong success. Principal activities include such programs as Head Start and Early Head Start in Sedgwick, Harper, Butler, and Greenwood Counties and the Child Care Aware Early Childhood Connections Program which covers 5 counties in the State of Kansas. The Organization's revenues and other support are derived principally from contributions and federal and state grants.

The Organization received approximately 93% and 92% of its grant revenue for the years ended April 30, 2025 and 2024 from the U.S. Department of Health and Human Services (DHHS) under the Federal Head Start and Early Head Start program. The Organization has been notified it will be required to recompete for its Head Start and Early Head renewal funding for the project period beginning May 1, 2026.

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Classification of Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets for the Organization are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or may not be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Use of Estimates

The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Accordingly, actual results could differ from those estimates.

Child Start, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized.
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met.

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as a refundable advance liability.

B. Grant Awards That Are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability. The Organization has no grant awards that are exchange transactions.

Child Start, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Grants and Accounts Receivable

The Organization analyzes accounts and grants receivables and records an allowance that management believes will reserve for possible losses on existing receivables that may become uncollectible. The evaluations take into consideration such factors as changes in the customer's creditworthiness, prior loss experience, and current and projected economic conditions. An account is considered uncollectible when all collection efforts prove worthless. The Organization considers accounts and grants receivable to be fully collectible. Accordingly, no allowance for credit losses has been recorded as of April 30, 2025 and 2024.

Promises to Give

Promises to give are recognized when the donor makes an unconditional promise to give to the Organization. Promises to be collected in less than one year are reported at net realizable value. Promises that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the promises to give. The Organization considers these receivables to be collectible, and therefore, no allowance for uncollectible amounts has been recorded. If an amount becomes delinquent after all collection efforts have failed, the account is written off.

Lease Assets and Obligations

The Organization is a lessee in multiple noncancelable operating and finance leases. If the contract provides the Organization the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Operating and finance lease assets and obligations are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The lease asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred.

The lease obligation is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

The Organization has elected to use the Organization's incremental borrowing rate as the discount rate if the implicit rate in the lease contract is not readily determinable.

The lease asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease obligation (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term. The lease asset for finance leases is amortized on a straight-line basis over the lease term.

Child Start, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Assets and Obligations (Continued)

For all underlying classes of assets, the Organization has elected to not recognize lease assets and lease obligations for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The Organization recognizes short-term lease cost on a straight-line basis over the lease term.

The Organization made an accounting policy election for all classes of leases to not separate the lease components of a contract and its associated non-lease components.

Property and Equipment

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. The Organization capitalizes property and equipment purchased with a cost greater than \$5,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Property and equipment purchased with grant funds are owned by the Organization while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds was \$1,587,604 and \$1,807,429 as of April 30, 2025, and 2024.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long lived assets during 2025 and 2024.

Child Start, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is qualified for tax-exempt status under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Kansas law.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Indirect Cost Rate Allocation

To facilitate equitable distribution of common purpose costs benefiting more than one direct cost objective, the Organization has negotiated an indirect cost rate with DHHS. The rate is based upon a percentage of total direct salaries and wages, including all fringe benefits. A provisional rate of 15.90% was approved by DHHS effective until April 30, 2025.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Rent and related costs are allocated based on square footage.

Contributed Nonfinancial Assets

Contributed nonfinancial assets include in-kind contributions for space, supplies, and professional services recorded on the statements of activities and statements of functional expenses in accordance with a financial accounting standard that requires that only contributions of service received that create or enhance a nonfinancial asset or required specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this standard are different than the in-kind requirements of several of the Organization's grant awards. As described in Note 5, the Organization has changed its policy for accounting for promises to give for discounted rent in-kind contributions. The Organization received contributions during the years ended April 30, 2025 and 2024 with a value of \$1,989,459 and \$1,716,397, primarily for its Head Start and Early Head Start programs, which are not recorded in the statements of activities or statements of functional expenses.

Subsequent Events

Subsequent events have been evaluated through November 23, 2025, which is the date the financial statements were available to be issued.

Child Start, Inc.

Notes to Financial Statements

Note 2: Concentration of Credit Risk

The Organization maintains their cash balance in one financial institution which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. Management believes the financial institution has a strong credit rating and credit risk related to these deposits is minimal.

Note 3: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within 12 months of the statements of financial position dates, comprise the following as of April 30:

	2025	2024
Cash	\$ 1,320,699	\$ 1,283,044
Accounts Receivable	19,721	21,349
Subtotal financial assets	1,340,420	1,304,393
Less: Refundable advance liability	669	15,000
Less: Net assets with donor restrictions included in financial assets	3,794	3,792
Totals available financial assets	\$ 1,335,957	\$ 1,285,601

The Organization has no formal liquidity policy and relies on available grant funding that is requested and received shortly thereafter to ensure it has cash available to meet its current obligations to vendors and employees. In addition, the Organization has grant commitments for future expenses as described further in Note 10.

Child Start, Inc.

Notes to Financial Statements

Note 4: Grants Receivable

Grants receivable consisted of the following at April 30:

	2025	2024
Federal Head Start/Early Head Start	\$ 486,877	\$ 791,589
Child and Adult Care Food Program	39,376	38,602
Other Childhood Programs	29,617	60,305
Totals	\$ 555,870	\$ 890,496

Note 5: Promises to Give

The Organization considers future in-kind contributions for discounted rent to be unconditional contributions and, accordingly, has recorded promises to give for such contributions.

Promises to give consist of the following at April 30:

	2025	2024
Contributed use of property	\$ 1,200,235	\$ 1,272,661
Less: unamortized discount	(441,061)	(487,463)
Total promises to give, net	\$ 759,174	\$ 785,198

Future maturities on the promises to give are as follows:

2026	\$	27,576
2027		29,276
2028		31,082
2029		32,999
2030		35,035
Thereafter		603,206
Total	\$	759,174

Promises to give due in more than one year are reflected at present value using a discount rate of 6% for the contributed use of property.

During the year ended April 30, 2024, a lease with discounted rent previously included in promises to give was terminated early. A loss of \$1,393,933 was recognized on the date the lease was terminated.

Child Start, Inc.

Notes to Financial Statements

Note 6: Property and Equipment

Property and equipment consisted of the following at April 30:

	2025	2024
Land	\$ 70,782	\$ 70,782
Buildings and Leasehold improvements	2,194,761	2,347,643
Equipment	1,216,570	1,229,771
Subtotals	3,482,113	3,648,196
Less: Accumulated depreciation	(1,854,502)	(1,827,977)
Totals	\$ 1,627,611	\$ 1,820,219

Depreciation expense was \$187,869 and \$138,502 for the years ended April 30, 2025 and 2024, respectively.

Note 7: Leases

The Organization leases properties for operation of its programs. The leases are reported as finance leases, operating leases, or short-term leases.

Finance Lease Assets and Obligations

The Organization classifies three of its leases as finance leases since the present value of the lease payments equals or exceeds substantially all of the fair value of the assets. The finance lease assets are initially measured at cost, which is comprised of the sum of the initial amount of the finance lease obligation, initial direct costs incurred, and lease payments made before or at lease commencement, reduced for any lease incentives received. The Organization amortizes the finance lease assets on a straight-line basis over the period from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The finance lease assets cost was \$6,122,292 at April 30, 2025 and 2024. Accumulated amortization on finance lease assets was \$2,185,420 and \$1,715,889 at April 30, 2025 and 2024, respectively.

The Organization recognizes the following amounts on the statements of activities during each period of the leases: amortization of the finance lease asset, interest on the lease obligation, any variable lease payments in the period in which the obligation is incurred, and any impairment of the finance lease asset. Amortization of the finance lease assets is included in depreciation and amortization expense and finance lease interest costs are included in interest expense on the statements of functional expenses. There was no impairment of the finance lease assets during the years ended April 30, 2025 or 2024. Amortization expense for the finance leases was \$469,531 during both years ended April 30, 2025 and 2024. Interest expense for the finance leases were \$288,207 and \$309,261 for the years ended April 30, 2025 and 2024, respectively.

Child Start, Inc.

Notes to Financial Statements

Note 7: Leases (Continued)

The following is a schedule of future minimum payments required under finance lease obligations as of April 30, 2025:

2026	\$	666,353
2027		677,200
2028		688,123
2029		703,061
2030		724,079
Thereafter		2,479,658
<hr/>		
Total lease payments		5,938,474
Less imputed interest		(1,289,605)
<hr/>		
Total	\$	4,648,869
<hr/> <hr/>		

The weighted-average remaining lease term for finance leases was 8.16 and 9.15 years at April 30, 2025 and 2024, respectively. The weighted-average discount rate was 6.00% at April 30, 2024 and 2023.

Operating Lease Assets and Liabilities

The Organization classifies leases as operating leases if they are not short-term leases (see below) or finance leases. For operating leases, the Organization recognizes a lease asset and a lease obligation at lease commencement. The initial obligation and asset are calculated the same for operating leases as described above for finance leases.

The Organization recognizes operating lease expense, calculated so that the remaining cost of the lease is allocated over the remaining lease term on a straight-line basis. The lease cost equals the total lease payments for the lease term, plus total initial direct costs incurred, less the periodic lease cost previously recognized. Any variations in lease payments dependent on a rate or index are expensed in the period in which they are incurred. There were no other variable payments outside of those based on an index or rate. Lease expense, which is included in rent and utilities on the statements of functional expenses, was \$267,571 and \$311,902 for the years ended April 30, 2025 and 2024, respectively.

Child Start, Inc.

Notes to Financial Statements

Note 7: Leases (Continued)

The following is a schedule of future minimum payments required under operating lease obligations as of April 30, 2025:

2026	\$	269,800
2027		193,720
2028		61,837
2029		49,824
2030		49,824
Thereafter		577,129
<hr/>		
Total lease payments		1,202,134
Less imputed interest		(337,945)
<hr/>		
Total	\$	864,189

The weighted-average remaining lease term for operating leases was 10.50 and 10.02 years at April 30, 2025 and 2024, respectively. The weighted-average discount rate was 6.00% at April 30, 2025 and 2024.

Short-term leases

Short-term leases include leases that at the commencement date have a lease term of 12 months or less and cancelable leases with annual options to extend (year-to-year leases).

Rental expense under short-term leases was \$99,600 and \$99,600 for the years ended April 30, 2025 and 2024, respectively, and is included in rent and utilities expense on the statements of functional expenses.

Note 8: Net Assets with Donor Restrictions

Net assets with donor restrictions consisted of the following at April 30:

	2025		2024
Promises to give - time restriction	\$ 759,174	\$	785,198
Scholarship fund - purpose restriction	3,794		3,792
<hr/>			
Total net assets with donor restrictions	\$ 762,968	\$	788,990

Child Start, Inc.

Notes to Financial Statements

Note 8: Net Assets with Donor Restrictions (Continued)

Net assets with donor restrictions were released from restrictions as follows for the years ended April 30:

	2025	2024
Promises to give and lease termination - time elapsed	\$ 26,024	\$ 1,567,680
Total net assets released from restrictions	\$ 26,024	\$ 1,567,680

Note 9: Retirement Plan

The Organization has a defined contribution retirement plan authorized under Section 403(b) of the Internal Revenue Code. The plan is open to substantially all employees. The Board of Directors annually determines the amount, if any, of the Organization's contribution to the plan. The Organization's contributions for the years ended April 30, 2025 and 2024, were \$219,798 and \$209,610, respectively.

Note 10: Grant Awards

At April 30, 2025, the Organization had commitments under various grants of approximately \$101,000. These commitments are not recognized in the accompanying financial statements as receivables and revenue as they are conditional awards.

Note 11: Contributed Nonfinancial Assets

Contributed nonfinancial assets consisted of the following for the years ended April 30:

	2025	2024
Contributed space	\$ 962,514	\$ 1,074,900
Supplies	57,676	38,866
Professional services	35,003	65,495
Other	1,084	1,126
Total	\$ 1,056,277	\$ 1,180,387

The Organization recognizes contributed nonfinancial assets as in-kind contributions revenue on the statements of activities. Promises to give related to contributed space are reported as net assets with donor restrictions due to the time restriction of the promises to give; otherwise, contributed nonfinancial assets did not have donor-imposed restrictions.

Child Start, Inc.

Notes to Financial Statements

Note 11: Contributed Nonfinancial Assets (Continued)

The contributed space, supplies, and professional services are used for child education program activities. In valuing contributed space, the Organization estimated the fair value based on certified appraisal reports. Contributed supplies are valued at the estimated fair market value of the supply received, with consideration for age and condition of the supply at the time of the contribution. Contributed professional services are valued at estimated rates consistent with those paid for similar work in the labor market within the area the service is performed.

Supplementary Information

Child Start, Inc.

Schedule A-1
 Schedule of Program Activity
 Year Ended April 30, 2025

	FEDERAL PROGRAMS						
	Department of Agriculture			Department of Health and Human Services			
	10.558			93.575			
	Total	Child & Adult Care Food Program 2023/2024 (1)	Child & Adult Care Food Program 2024/2025 (2)	10.558 Subtotal	Child Care and Development Block Grant 2023/2024 (3)	Child Care and Development Block Grant 2024/2025 (4)	Health Care Network 2024 (5)
REVENUE							
Grant revenue	\$ 13,721,152	\$ 130,327	\$ 211,008	\$ 341,335	\$ 13,311	\$ 103,730	\$ 3,894
Donations	57,868	0	0	0	0	0	0
Interest income	269	0	0	0	0	0	0
Other income	60,033	0	0	0	0	0	0
Contributed nonfinancial assets	1,056,277	0	0	0	0	0	0
Total Revenue	14,895,599	130,327	211,008	341,335	13,311	103,730	3,894
EXPENSES							
Salaries and benefits	9,710,268	0	0	0	10,670	78,199	762
Contractual	804,804	0	0	0	103	804	8
Repairs and maintenance	228,259	0	0	0	15	61	0
Rent and utilities	714,743	0	0	0	163	9,203	277
Travel and training	298,815	0	0	0	36	912	0
Supplies	391,150	0	0	0	101	290	0
Equipment	0	0	0	0	0	0	0
Program activities	359,886	130,327	211,008	341,335	0	0	0
Other	350,826	0	0	0	565	1,537	0
Insurance	175,714	0	0	0	0	0	0
Indirect	0	0	0	0	1,758	11,897	3,129
Printing and postage	29,850	0	0	0	24	827	0
Depreciation and amortization	657,400	0	0	0	0	0	0
Interest expense	288,207	0	0	0	0	0	0
In-kind expenses	1,082,251	0	0	0	0	0	0
Total Expenses	15,092,173	130,327	211,008	341,335	13,435	103,730	4,176
Change in Net Assets	(196,574)	0	0	0	(124)	0	(282)
Transfers	0	0	0	0	124	0	282
Net assets - Beginning of year	3,154,289	0	0	0	0	0	0
NET ASSETS - End of year	\$ 2,957,715	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Child Start, Inc.

Schedule A-2
 Schedule of Program Activity
 Year Ended April 30, 2025

	FEDERAL PROGRAMS					
	Department of Health and Human Services					
	93.575			93.600		
Child Care Workforce Professional Development 2023/2025 (6)	93.575 Subtotal	Head Start/ Early Head Start 07CH011978-04 (7)	Head Start Training and Tech. Assist. 07CH011978-04 (8)	Early Head Start T&TA 07CH011978-04 (9)	93.600 Subtotal	
REVENUE						
Grant revenue	\$ 74,416	\$ 195,351	\$ 12,609,991	\$ 91,658	\$ 72,076	\$ 12,773,725
Donations	0	0	0	0	0	0
Interest income	0	0	2	0	0	2
Other income	0	0	193	0	0	193
Contributed nonfinancial assets	0	0	3,045,736	0	0	3,045,736
Total Revenue	74,416	195,351	15,655,922	91,658	72,076	15,819,656
EXPENSES						
Salaries and benefits	41,088	130,719	8,122,852	0	0	8,122,852
Contractual	579	1,494	753,356	0	0	753,356
Repairs and maintenance	40	116	221,896	0	0	221,896
Rent and utilities	5,966	15,609	1,232,499	0	0	1,232,499
Travel and training	3,929	4,877	60,291	91,528	72,024	223,843
Supplies	6,575	6,966	291,751	130	52	291,933
Equipment	0	0	0	0	0	0
Program activities	4,300	4,300	14,251	0	0	14,251
Other	1,137	3,239	208,852	0	0	208,852
Insurance	0	0	151,443	0	0	151,443
Indirect	10,560	27,344	1,534,886	0	0	1,534,886
Printing and postage	443	1,294	18,109	0	0	18,109
Depreciation and amortization	0	0	0	0	0	0
Interest expense	0	0	0	0	0	0
In-kind expenses	0	0	3,045,736	0	0	3,045,736
Total Expenses	74,617	195,958	15,655,922	91,658	72,076	15,819,656
Change in Net Assets	(201)	(607)	0	0	0	0
Transfers	201	607	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0
NET ASSETS - End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

See Independent Auditor's Report.

Child Start, Inc.

Schedule A-3
 Schedule of Program Activity
 Year Ended April 30, 2025

	FEDERAL PROGRAMS		STATE & LOCAL PROGRAMS			Total State and Local Programs
	Total Federal Programs	Early Childhood Connections (10)	Disaster Ready Childcare System (11)	ECBG (12)	Other (14)	
REVENUE						
Grant revenue	\$ 13,310,411	\$ 183,557	\$ 15,388	\$ 197,465	\$ 14,331	\$ 410,741
Donations	0	0	0	0	7,877	7,877
Interest income	2	0	0	0	0	0
Other income	193	0	0	0	57,155	57,155
Contributed nonfinancial assets	3,045,736	0	0	0	0	0
Total Revenue	16,356,342	183,557	15,388	197,465	79,363	475,773
EXPENSES						
Salaries and benefits	8,253,571	99,641	9,357	100,683	3,814	213,495
Contractual	754,850	3,555	66	1,941	7,094	12,656
Repairs and maintenance	222,012	1,391	3	45	125	1,564
Rent and utilities	1,248,108	22,201	828	10,903	10,928	44,860
Travel and training	228,720	4,135	426	10,486	6,508	21,555
Supplies	298,899	2,753	2,328	51,256	14,265	70,602
Equipment	0	0	0	0	0	0
Program activities	359,886	0	0	0	0	0
Other	212,091	6,438	0	1,188	385	8,011
Insurance	151,443	1,806	0	0	0	1,806
Indirect	1,562,230	17,747	2,321	20,666	(10,063)	30,671
Printing and postage	19,403	1,474	72	430	553	2,529
Depreciation and amortization	0	0	0	0	0	0
Interest expense	0	0	0	0	0	0
In-kind expenses	3,045,736	0	0	0	0	0
Total Expenses	16,356,949	161,141	15,401	197,598	33,609	407,749
Change in Net Assets	(607)	22,416	(13)	(133)	45,754	68,024
Transfers	607	0	0	0	0	0
Net assets - Beginning of year	0	88,145	30	108	141,709	229,992
NET ASSETS - End of year	\$ 0	\$ 110,561	\$ 17	(\$ 25)	\$ 187,463	\$ 298,016

See Independent Auditor's Report.

Child Start, Inc.

Schedule A-4
 Schedule of Program Activity
 Year Ended April 30, 2025

	DISCRETIONARY ACTIVITY				
	Total Programs	GAAP Adjustments (15)	Grant- Funded Equipment (16)	Corporate Activities (17)	Total Discretionary
REVENUE					
Grant revenue	\$ 13,721,152	\$ 0	\$ 0	\$ 0	\$ 0
Donations	7,877	0	0	49,991	49,991
Interest income	2	0	0	267	267
Other income	57,348	0	0	2,685	2,685
Contributed nonfinancial assets	3,045,736	(1,989,459)	0	0	(1,989,459)
Total Revenue	16,832,115	(1,989,459)	0	52,943	(1,936,516)
EXPENSES					
Salaries and benefits	8,467,066	0	0	1,243,202	1,243,202
Contractual	767,506	0	0	37,298	37,298
Repairs and maintenance	223,576	0	0	4,683	4,683
Rent and utilities	1,292,968	(656,349)	0	78,124	(578,225)
Travel and training	250,275	0	0	48,540	48,540
Supplies	369,501	0	0	21,649	21,649
Equipment	0	0	0	0	0
Program activities	359,886	0	0	0	0
Other	220,102	0	0	130,724	130,724
Insurance	153,249	0	0	22,465	22,465
Indirect	1,592,901	0	0	(1,592,901)	(1,592,901)
Printing and postage	21,932	0	0	7,918	7,918
Depreciation and amortization	0	419,551	219,825	18,024	657,400
Interest expense	0	288,207	0	0	288,207
In-kind expenses	3,045,736	(1,963,485)	0	0	(1,963,485)
Total Expenses	16,764,698	(1,912,076)	219,825	19,726	(1,672,525)
Change in Net Assets	67,417	(77,383)	(219,825)	33,217	(263,991)
Transfers	607	77,383	0	(77,990)	(607)
Net assets - Beginning of year	229,992	0	1,807,429	1,116,868	2,924,297
NET ASSETS - End of year	\$ 298,016	\$ 0	\$ 1,587,604	\$ 1,072,095	\$ 2,659,699

See Independent Auditor's Report.

Child Start, Inc.

Schedule B Schedule of Expenditures of Federal Awards Year Ended April 30, 2025

Federal Grantor/Program Title	AL Number	Federal/Pass-Through Entity Identifying Number	Funding Source/ Pass-Through Entity	Program Period	Grant Expenditures
DEPARTMENT OF AGRICULTURE					
(1) Child & Adult Care Food Program 2023/2024	10.558	N/A	Kansas State Department of Education	10/01/23 - 09/30/24	\$ 130,327
(2) Child & Adult Care Food Program 2024/2025	10.558	N/A	Kansas State Department of Education	10/01/24 - 09/30/25	211,008
Total Federal Expenditures AL #10.558					341,335
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
CCDF Cluster:					
(3) Child Care Development Block Grant 2023/2024	93.575	N/A	Child Care Aware of Kansas	07/01/23 - 06/30/24	13,311
(4) Child Care Development Block Grant 2024/2025	93.575	N/A	Child Care Aware of Kansas	07/01/24 - 06/30/25	103,730
(5) Health Care Network 2023/2024	93.575	N/A	Child Care Aware of Kansas	10/01/23 - 09/30/24	3,894
(6) Child Care Workforce Professional Development 2023/2025	93.575	N/A	Kansas Child Care Training Opportunities, Inc.	07/01/23 - 06/30/25	74,416
Total Federal Expenditures AL #93.575 CCDF Cluster					195,351
Head Start Cluster:					
(7) Head Start	93.600	07CH011978-04	U.S. Department of Health and Human Services	05/01/24 - 04/30/25	12,609,991
(8) Head Start - Training and Technical Assistance	93.600	07CH011978-04	U.S. Department of Health and Human Services	05/01/24 - 04/30/25	91,658
(9) Early Head Start - Training and Technical Assistance	93.600	07CH011978-04	U.S. Department of Health and Human Services	05/01/24 - 04/30/25	72,076
Total Federal Expenditures AL #93.600 Head Start Cluster					12,773,725
TOTAL FEDERAL EXPENDITURES					\$ 13,310,411

See Independent Auditor's Report.

See accompanying Notes to Schedule of Expenditures of Federal Awards.

Child Start, Inc.

Notes to Schedule of Expenditures of Federal Awards

Year Ended April 30, 2025

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Child Start, Inc. under programs of the federal government for the year ended April 30, 2025. The information in this 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 Child Start, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Child Start, Inc.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - Indirect Cost Rate

Child Start, Inc. has an approved indirect cost rate, and therefore, did not use the de minimis cost rate.

Note 4 - Subrecipients

No federal grant awards were passed through to subrecipients during the year ended April 30, 2025.

See Independent Auditor's Report.

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*

Board of Directors
Child Start, Inc.
Wichita, Kansas

We have audited, 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, the financial statements of Child Start, Inc., which comprise the statement of financial position as of April 30, 2025 and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 23, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Child Start, Inc.'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 the Child Start, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Child Start, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Child Start, 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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin

November 23, 2025

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Child Start, Inc.
Wichita, Kansas

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Child Start, 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 Child Start, Inc.'s major federal program for the year ended April 30, 2025. Child Start, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Child Start, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended April 30, 2025.

Basis for Opinion on the 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 Child Start, 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 the major federal program. Our audit does not provide a legal determination of Child Start, 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 Start, Inc.'s federal programs.

Auditor's Responsibility 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 Start, 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 GAAS, *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 Child Start, Inc.'s compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Start, 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 Child Start, 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 Start, 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.

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.

Wipfli LLP

Wipfli LLP

Madison, Wisconsin
November 23, 2025

Child Start, Inc.

Schedule of Findings and Questioned Costs

Year Ended April 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None Reported

Type of auditor's report issued on compliance for major program: 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 federal programs

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes _____ No

Child Start, Inc.
Schedule of Findings and Questioned Costs (Continued)

Year Ended April 30, 2025

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Year Findings

None