

Hively

Financial Statements
and Single Audit Reports and Schedules
and State Childcare Development Reports

June 30, 2025

(With Comparative Totals for 2024)



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hively

Opinion

We have audited the accompanying financial statements of Hively (a California nonprofit corporation) (the "Agency"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hively 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hively 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 opinion.

Report on Summarized Comparative Information

We have previously audited Hively's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 11, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 Hively'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 Hively'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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying supplementary information shown on pages 33 - 75 for California Department of Social Services is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 Agency'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 Agency's internal control over financial reporting and compliance.



San Francisco, California

December 11, 2025

Hively
Statement of Financial Position
June 30, 2025
(With Comparative Totals for 2024)

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,855,661	\$ 4,927,896
Restricted cash	94,604	83,484
Grants receivable	3,513,999	2,575,262
Other accounts receivable	32,318	32,401
Contributions receivable	36,480	36,480
Prepaid expenses	212,275	251,265
Total current assets	12,745,337	7,906,788
Noncurrent assets		
Contributions receivable, net of current portion	291,840	328,320
Property and equipment, net	129,992	80,443
Lease right-of-use assets	969,893	1,228,958
Deposits	52,859	54,224
Total noncurrent assets	1,444,584	1,691,945
Total assets	\$ 14,189,921	\$ 9,598,733

The accompanying notes are an integral part of these financial statements.

Hively
Statement of Financial Position
June 30, 2025
(With Comparative Totals for 2024)

	2025	2024
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 80,291	\$ 145,586
Accrued expenses	1,019,902	573,978
Refundable advances	5,566,620	2,156,574
California Department of Social Services reserve	83,484	83,484
Contract advance, current	1,400,000	-
Lease liability, current	398,343	380,895
Total current liabilities	8,548,640	3,340,517
Long-term liabilities		
Lease liability, net of current portion	590,158	897,946
Contract advance	-	1,400,000
Total long-term liabilities	590,158	2,297,946
Total liabilities	9,138,798	5,638,463
Net assets		
Without donor restrictions	4,722,803	3,595,470
With donor restrictions	328,320	364,800
Total net assets	5,051,123	3,960,270
Total liabilities and net assets	\$ 14,189,921	\$ 9,598,733

The accompanying notes are an integral part of these financial statements.

Hively
Statement of Activities
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	Without Donor Restrictions	With Donor Restrictions	2025 Total	2024 Total
Support and revenue				
Contract revenue	\$ 54,974,755	\$ -	\$ 54,974,755	\$ 47,684,708
Parent fees	13,523	-	13,523	15,371
Contributions	128,835	-	128,835	172,651
In-kind contributions	10,100	-	10,100	27,500
Program service fees	885,473	-	885,473	36,690
Interest income	75,340	-	75,340	41,347
Net assets released from restriction	<u>36,480</u>	<u>(36,480)</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>56,124,506</u>	<u>(36,480)</u>	<u>56,088,026</u>	<u>47,978,267</u>
Functional expenses				
Program services				
Child care subsidies	50,640,946	-	50,640,946	42,909,849
Community services	564,630	-	564,630	395,557
General and others	1,191,979	-	1,191,979	723,164
Mental health	<u>1,211,481</u>	<u>-</u>	<u>1,211,481</u>	<u>546,280</u>
Total program services	<u>53,609,036</u>	<u>-</u>	<u>53,609,036</u>	<u>44,574,850</u>
Support services				
Management and general	1,367,078	-	1,367,078	2,172,970
Fundraising	<u>21,059</u>	<u>-</u>	<u>21,059</u>	<u>-</u>
Total support services	<u>1,388,137</u>	<u>-</u>	<u>1,388,137</u>	<u>2,172,970</u>
Total functional expenses	<u>54,997,173</u>	<u>-</u>	<u>54,997,173</u>	<u>46,747,820</u>
Change in net assets	1,127,333	(36,480)	1,090,853	1,230,447
Net assets, beginning of year	<u>3,595,470</u>	<u>364,800</u>	<u>3,960,270</u>	<u>2,729,823</u>
Net assets, end of year	<u>\$ 4,722,803</u>	<u>\$ 328,320</u>	<u>\$ 5,051,123</u>	<u>\$ 3,960,270</u>

The accompanying notes are an integral part of these financial statements.

Hively
Statement of Functional Expenses
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	Program Services				Total Program Services	Management and General	Fundraising	2025 Total	2024 Total
	Child Care Subsidies	Community Services	General and Others	Mental Health					
Personnel expenses									
Salaries and wages	\$ 3,151,612	\$ 302,364	\$ 739,233	\$ 834,372	\$ 5,027,581	\$ 771,195	\$ -	\$ 5,798,776	\$ 4,674,205
Payroll taxes and employee benefits	<u>1,138,452</u>	<u>81,138</u>	<u>199,653</u>	<u>194,223</u>	<u>1,613,466</u>	<u>170,780</u>	<u>-</u>	<u>1,784,246</u>	<u>1,262,581</u>
Total personnel expenses	<u>4,290,064</u>	<u>383,502</u>	<u>938,886</u>	<u>1,028,595</u>	<u>6,641,047</u>	<u>941,975</u>	<u>-</u>	<u>7,583,022</u>	<u>5,936,786</u>
Provider payments	44,912,004	-	-	-	44,912,004	-	-	44,912,004	38,086,921
Professional services	384,298	32,942	68,437	49,948	535,625	46,644	20,000	602,269	756,484
Supplies	207,418	57,197	52,438	30,644	347,697	5,503	-	353,200	884,090
Occupancy	515,528	28,445	64,298	44,506	652,777	75,252	-	728,029	680,578
IT and technology	181,659	15,362	42,712	37,301	277,034	163,975	-	441,009	84,933
General expenses	<u>149,975</u>	<u>47,182</u>	<u>25,208</u>	<u>20,487</u>	<u>242,852</u>	<u>133,729</u>	<u>1,059</u>	<u>377,640</u>	<u>318,029</u>
	<u>\$ 50,640,946</u>	<u>\$ 564,630</u>	<u>\$ 1,191,979</u>	<u>\$ 1,211,481</u>	<u>\$ 53,609,036</u>	<u>\$ 1,367,078</u>	<u>\$ 21,059</u>	<u>\$ 54,997,173</u>	<u>\$ 46,747,821</u>

The accompanying notes are an integral part of these financial statements.

Hively
Statement of Cash Flows
For the Year Ended June 30, 2025
(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 1,090,853	\$ 1,230,447
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	25,731	9,291
Amortization of right-of-use assets	395,433	8,677
Changes in operating assets and liabilities		
Contributions and grants receivable	(902,257)	1,703,419
Other accounts receivable	83	178,608
Prepaid expenses	38,990	(47,640)
Deposits	1,365	(4,075)
Accounts payable	(65,295)	(2,068,666)
Accrued expenses	445,924	(203,477)
Refundable advances	3,410,046	1,131,807
CDSS reserve	-	(2,501)
Lease liability	(426,708)	(7,419)
Net cash provided by operating activities	<u>4,014,165</u>	<u>1,928,471</u>
Cash flows from investing activities		
Purchase of property and equipment	(75,280)	(65,160)
Net cash used in investing activities	<u>(75,280)</u>	<u>(65,160)</u>
Net increase in cash, cash equivalents and restricted cash	3,938,885	1,863,311
Cash, cash equivalents and restricted cash, beginning of year	<u>5,011,380</u>	<u>3,148,069</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 8,950,265</u>	<u>\$ 5,011,380</u>
Cash, cash equivalents and restricted cash consisted of the following:		
Cash and cash equivalents	\$ 8,855,661	\$ 4,927,896
Restricted cash	<u>94,604</u>	<u>83,484</u>
	<u>\$ 8,950,265</u>	<u>\$ 5,011,380</u>

Supplemental schedule of noncash investing and financing activities

Operating lease right-of-use assets obtained in exchange for lease liabilities	\$ 136,368	\$ -
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The accompanying notes are an integral part of these financial statements.

Hively
Notes to Financial Statements
June 30, 2025

1. NATURE OF OPERATIONS

Hively (the "Agency") is a nonprofit public benefit corporation established in 1976 under the laws of California. The Agency was originally incorporated as Freis and Miller Educational Child Care Programs, Inc. In June 2019, the Agency changed its name from Child Care Links to Hively. The Agency receives primarily all support from government agencies. Hively offers the following services to residents of Alameda County:

- A coordinating agency for services that strengthen and support children and their families.
- An advocate for quality child care.
- A consultant to government and business to plan child care programs.

The Agency has the following programs:

- *Child Care Subsidies* - These programs provide child care subsidies for parents who qualify for services under terms of Agency agreements with the California Department of Social Services ("CDSS") and Alameda County Social Services Agency California Work Opportunity Responsibility to Kids Program ("CalWORKs"). The Agency determines program eligibility, provides support services, collects parent fees and processes payments to child care providers. The CalWORKs program provides child care subsidies to employed parents and/or parents enrolled in job training programs whose eligibility may be determined by the related public agency. The CDSS programs provide child care subsidies to low-income parents who are employed, looking for work or pursuing educational goals.
- *Resource and Referral* - These programs provide child care referrals, information and assistance on choosing child care, and access to community resources for parents/guardians. Technical assistance and free professional development opportunities are available for child care providers on topics such as, social-emotional development, health and safety, curriculum and environment planning and inclusion.

Support for these programs are provided through contracts with CDSS, Alameda County First Five Commission, private sources, and the cities of Pleasanton and Dublin. The city contracts and First 5 Alameda County funds the development and documentation of child care data and training for local Child Care Providers and parents/guardians.

- *Mental Health Care Programs* - The Agency offers a variety of mental health care services and supports, including individual, family and group therapy; parent education and support groups; trauma-informed care training for mental health professionals, child care providers and other educators; and, family strengthening resources.

Hively
Notes to Financial Statements
June 30, 2025

1. NATURE OF OPERATIONS (continued)

- *General and other programs* - The Agency offers various other programs that promote development of healthy, happy children and strong, well-resourced families. The Agency provides training, technical assistance and support to child care providers including assistance for paying licensing related fees, support to address barriers faced by children with special needs and assisting child care sites improve their quality in the areas of health and safety, learning opportunities for children, program structure, and relationships with children, families and staff. In addition, the Agency actively seeks support and grants to support the operation of a community closet; making gently used clothing and household goods available to needy families.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to non-profit organizations. Accordingly, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Net assets and changes therein are classified as follows:

- *Net assets without donor restrictions* - net assets available for use in general operations and not subject to donor-imposed stipulations.
- *Net assets with donor restrictions* - net assets subject to donor-imposed stipulations that may or will be met by the actions of the Agency and/or the passage of time and those net assets subject to donor-imposed stipulations that they be maintained in perpetuity by the Agency.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets and liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor restriction or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purposes has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and cash equivalents

The Agency considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2025, the Agency did not have any cash equivalents. The Agency places its cash and temporary investments with high credit quality institutions. Periodically, such investments may be in excess of federally insured limits.

Hively
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Restricted cash

Restricted cash as of June 30, 2025 amounted to \$94,604 and mainly consists of those funds held in reserve until they are either appropriately spent on a child development program or returned to the California Department of Social Services.

Receivables

Grants and other accounts receivables represent billed and uncollected service revenues provided under government and private company contracts. Receivables are stated at the amount management expects to collect from outstanding balances. Based on historical write-offs, overall economic conditions, the current aging status of its receivables, and management's assessment of current conditions and reasonable and supportable expectation of future conditions, the Agency establishes an allowance for credit losses at a level considered adequate to cover anticipated credit losses on outstanding receivables. At June 30, 2025, there was no allowance for credit losses as management anticipates collection of all outstanding receivables.

Property and equipment

Property and equipment purchased by the Agency are recorded at cost. Contributions of property and equipment are recorded at their estimated fair value. Property and equipment purchased in connection with certain restricted grant funds are expensed during the grant period, as required by the funding terms and conditions. The Agency capitalizes all acquisitions of property and equipment with a cost or value in excess of \$10,000 and an estimated useful life in excess of one year. Depreciation and amortization is provided on a straight-line basis over the lesser of the estimated useful lives of the respective assets, ranging from three to five years, or their applicable lease term.

The Agency reviews long-lived tangible assets for impairment when circumstances indicate the carrying amount of an asset may not be recoverable. Impairment is recognized if the fair value of the asset is less than the carrying value. When an impairment loss is recognized, the asset's carrying value is reduced to its estimated fair value. There were no impairments at June 30, 2025.

Leases

The Agency leases office spaces and equipment under operating leases. The Agency determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets and lease liabilities on the statement of financial position.

Hively
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (continued)

ROU assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Agency's lease does not provide an implicit rate, the Agency uses a risk-free rate based on the information available at the commencement date in determining the present value of lease payments. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Agency has elected not to recognize right-of-use assets and lease liabilities for short-term leases and instead records them in a manner similar to operating leases under legacy leasing guidelines. A short-term lease is one with a maximum lease term of 12 months or fewer and does not include a purchase option that the lessee is reasonably certain to exercise. The Agency does not have any short-term leases.

Accrued vacation

Accrued vacation represents vacation earned, but not taken as of June 30, 2025, and is included in accrued expenses in the accompanying statement of financial position. The accrued vacation balance as of June 30, 2025 was \$304,469.

Contract advance

The Agency recognizes advance payments from its contracts as a contract advance. The contract advance balance of \$1,400,000 at June 30, 2025 represents an advance payment of \$1,400,000 received in July 2019 from a government funding agency to provide working funds. The funds are to be returned to the funding agency not later than 51 days after the end of the 36-month contract term ended June 30, 2022. The contract has been extended through December 31, 2025.

Revenue recognition

The Agency receives its support from government grants and contracts administered through the U.S. Department of Health and Human Services, California Department of Social Services, Child Development Division, and the County of Alameda, and from donor contributions, parent fees, and other income.

Hively
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Contributions and promises to give are reported as net assets without donor restrictions or net assets with donor restrictions. Contributions, including unconditional promises to give, are recognized as revenues in the period the promise is received. Conditional promises to give are not recognized until they become unconditional; that is when the barrier has been overcome and right of release/right of return no longer exists. Contributions that are promised in one year but are not expected to be collected until after the end of that year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of any such discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for doubtful contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and current aging of contributions receivable. Contributions receivable at June 30, 2025 amounted to \$36,480 and consists of contributed use of office space. Management did not consider an allowance for doubtful contributions to be necessary at June 30, 2025.

A portion of the Agency's revenue is derived from cost-reimbursable contracts from governmental agencies, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. The revenue generated from these contracts meets the criteria to be classified as conditional contributions as they contain barriers related to the incurrence of qualifying expenditures and a right of return or release. Amounts received are recognized as revenues when the Agency has incurred expenditures in compliance with specific contract or grant provisions. The Agency has elected a simultaneous release option to accounts for these grants. Therefore, they are recorded as government grants without donor restriction upon satisfaction of the barriers. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statements of financial position. Refundable advances amounted to \$5,566,620 at June 30, 2025. In addition, the Agency has been awarded cost-reimbursable grants of approximately \$2,448,000 that have not been recognized at June 30, 2025 because qualifying expenditures have not yet been incurred.

Revenues from parent fees and other income are recognized as services are delivered and at the amounts the Agency expects to be entitled for the delivery of those services.

Advertising costs

The Agency's policy is to expense advertising costs as the costs are incurred. Advertising costs for the year ended June 30, 2025 totaled \$91,748.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Hively
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses (continued)

Direct identification of specific expenses is the Agency's preferred method of charging expenses to various functions. The Agency has a number of expenses which relate to more than one program or supporting activity, or to a combination of programs and supporting activities. Expenses are allocated by management among programs and supporting services based on salary expense, staff time, square footage, direct charges or actual children served by program.

Income tax status

The Agency is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Continuance of such exemption is subject to compliance with regulations and review of the activities by taxing authorities. The Agency is not aware of any transactions that would affect its tax-exempt status.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Agency in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Agency's tax returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

The Agency follows the accounting guidance for uncertain tax positions. Management determined that there are no uncertain positions as of June 30, 2025.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual events and results could differ from those assumptions and estimates.

Use of estimates include, but are not limited to, accounting for allowances for doubtful accounts, depreciation and amortization expenses, and functional allocation of expenses.

Comparative financial information

The financial statements include certain prior-year summarized comparative information in total but not by net asset classification. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Agency's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Hively
Notes to Financial Statements
June 30, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

The Agency has evaluated subsequent events through December 11, 2025, the date the financial statements were available to be issued. No subsequent events have occurred that would have a material impact on the presentation of the Agency's financial statements.

3. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consisted of the following:

Office equipment	\$ 112,401
Leasehold improvements	331,073
Software	<u>63,780</u>
	507,254
Accumulated depreciation and amortization	<u>(377,262)</u>
	<u><u>\$ 129,992</u></u>

Federal and state grantors retain a reversionary interest in assets purchased with governmental grant or contract funds. The title to such assets vests in the Agency only for the period of time during which the Agency has a contract with these entities.

Depreciation and amortization expense for the year ended June 30, 2025 was \$25,731.

4. CALIFORNIA DEPARTMENT OF SOCIAL SERVICES RESERVE

Child development contractors with the California Department of Social Services ("CDSS") are allowed to maintain a reserve account from earned but unexpended child development contract funds. The funds can be expended only by direct service child development programs that are funded under contract with CDSS.

In accordance with the stipulations of the Education Code, the Agency maintains its reserve accounts in interest-bearing funds, and all interest earned is recorded in the appropriate reserve funds. Upon termination of all child development contracts between the Agency and CDSS, reserve fund balances must be returned to CDSS.

The reserve amounts accrued at June 30, 2025 for the Alternative Payment and Resource and Referral programs were \$77,080 and \$6,404, respectively.

5. LEASES

The Agency has entered into operating leases for property and equipment. The leases have terms expiring through 2034 and monthly lease payments ranging from \$100 to \$32,646.

Hively
Notes to Financial Statements
June 30, 2025

5. LEASES (continued)

Additional information related to leases is as follows:

Cash flows from operating leases	\$ 501,137
Operating lease cost	\$ 486,220
Operating lease ROU assets obtained in exchange for lease obligations	\$ 136,368
Weighted average discount rate	7.28 %
Weighted average remaining lease term	2.3 years

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year ending June 30,</u>	
2026	\$ 468,173
2027	402,691
2028	<u>230,618</u>
	1,101,482
Less: imputed interest	<u>(112,981)</u>
	<u>\$ 988,501</u>

6. COMMITMENTS AND CONTINGENCIES

The Agency has determined that it owes FICA payroll taxes for bonuses that were paid during prior years. The Agency has accrued approximately \$118,000 for this liability as of June 30, 2025. The estimate of the accrued FICA payroll taxes does not include any potential penalties as it is uncertain at this time whether any penalties will be levied. Actual settlement amounts may differ from the amount accrued.

Concentrations

The Agency derives approximately 82% of its revenue from government contracts with CDSS and Alameda County. Any significant disruption in these contracts could impact future operations.

7. PENSION PLAN

The Agency sponsors a Simplified Employee Pension Plan (the "Plan"). This defined contribution plan provides for retirement benefits based on the actual value of contributions at the time of retirement. Contributions are discretionary, but when made must be given to all eligible employees at the same percentage of total compensation for the month. During the year ended June 30, 2025, the Agency contributed \$601,638 to the Plan.

Hively
Notes to Financial Statements
June 30, 2025

8. COST ALLOCATION PLAN

The Agency allocates all costs using methods that best represent the benefits received and the costs incurred. Costs are assigned through a combination of direct charging, FTE-based allocation, and deliverables-based allocation, consistent with federal cost principles.

Direct Cost Pool

- *Direct Charge (Unshared Cost)* - Costs that can be clearly and exclusively attributed to one program, grant, or contract are charged directly.
- *Shared Direct Costs* - When a cost benefits more than one program, it is prorated using the method most appropriate to the cost:
 - FTEs to allocate costs across departments.
 - Deliverables (such as number of children served or providers trained) to allocate costs within departments across grants or projects.
- *Common Allocation Bases:*
 - Staff Time (FTE) for labor-driven or administrative shared costs.
 - Square Footage for facility-related costs.
 - Number Served when programmatic effort correlates to service volume.

Indirect/ Supportive Services Costs

Costs that support all programs and cannot be tied to a specific grant or contract are allocated using a combination of FTE and deliverables. After all direct costs are assigned, remaining indirect costs are allocated proportionately across grants up to allowable limits, with any excess funded by unrestricted revenue.

Program-Specific Allocation Rules

Alternative Payment (AP) Program

Shared AP program costs are allocated based on deliverables, specifically the number of children served in each AP contract.

Resource & Referral (R&R) Program

Shared R&R costs are allocated across all R&R contracts based on FTE, using actual staff time worked on each project.

Hively
Notes to Financial Statements
June 30, 2025

8. COST ALLOCATION PLAN (continued)

Program-Specific Allocation Rules (continued)

Mental Health Program

Shared Mental Health program costs are allocated based on FTE, using actual staff hours spent across funding sources.

Account Structure Supporting Allocation

The Agency's chart of accounts is structured to support accurate allocation, with segmentation by:

- General ledger account (type of cost)
- Department/ program pool
- Project/ funding source
- Location

This structure ensures that direct costs are charged appropriately and that shared costs can be allocated accurately and consistently.

Annual Review

The cost allocation methodology and supporting data are reviewed annually to ensure that allocations remain fair, accurate, and compliant with applicable standards.

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

In-kind lease	\$ <u>328,320</u>
	<u>\$ 328,320</u>

Net assets with donor restrictions released from restriction during the year were as follows:

In-kind lease	\$ <u>36,480</u>
	<u>\$ 36,480</u>

Hively
Notes to Financial Statements
June 30, 2025

10. IN-KIND REVENUE AND SUPPORT

The Agency recognizes in-kind revenue as contributions as their estimated fair value on the date of receipt. The Agency's in-kind contributions are primarily comprised of contributed diapers and other goods. The valuation of the in-kind contributions is based on the market value for the contributed goods. The Agency recognized in-kind contributions of \$10,100 during the year ended June 30, 2025.

11. LIQUIDITY AND FUNDS AVAILABLE

As part of the Agency's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To meet liquidity needs, the Agency has cash and cash equivalents, grants receivable and other accounts receivable available.

The following is a quantitative disclosure which describes assets that are available within one year of June 30, 2025 to fund general expenditures and other obligations when they become due:

Financial assets	
Cash and cash equivalents	\$ 8,855,661
Grants receivable	3,513,999
Other accounts receivable	32,318
Contributions receivable	<u>328,320</u>
	<u>12,730,298</u>
Less: amounts unavailable for general expenditures within one year	
Net assets with donor restrictions	(328,320)
Deposit related to the CalWORKs contract	<u>(1,400,000)</u>
	<u>(1,728,320)</u>
	<u><u>\$ 11,001,978</u></u>

12. ASSET PURCHASE AGREEMENT

The Agency entered into an Asset Purchase Agreement (the "Agreement") with Family Services of San Leandro ("FSSL"), a California nonprofit corporation, with an effective date of July 1, 2019. As part of the Agreement, the Agency acquired certain assets and assumed certain liabilities of FSSL. The net assets acquired amounted to \$391,757. Pursuant to the Agreement, the assets acquired from FSSL must be used only for the purpose of conducting psychotherapy for families, individuals and couples.

As part of the Agreement, an office lease between FSSL and the City of San Leandro (the "City") was assigned to and assumed by the Agency. The lease calls for annual lease payments of \$100 and expires on June 30, 2034. The Agency determined the fair value of the lease to be \$36,480 per annum and recognized an in-kind contribution of \$547,200 for the remaining term of the lease.

SINGLE AUDIT REPORTS AND SCHEDULES



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*

To the Board of Directors
Hively

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 Hively (a California nonprofit corporation) (the "Agency"), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated December 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Armanino LLP".

San Francisco, California

December 11, 2025



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

To the Board of Directors
Hively

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hively (a California nonprofit corporation) (the "Agency")'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 the Agency's major federal programs for the year ended June 30, 2025. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Agency 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 the Agency'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 the Agency's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Agency'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 Agency'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 the Agency'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 Agency'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 the Agency'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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

A handwritten signature in black ink that reads "Armanino LLP". The signature is written in a cursive, flowing style.

San Francisco, California

December 11, 2025

Hively
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
<u>Expenditures of Federal Awards</u>			
U.S. Department of Health and Human Services			
CCDF Cluster			
Child Care and Development Block Grant			
Pass-through program from the State of California:			
Child Care and Development Block Grant, Stage 2	93.575	C2AP-4002	\$ 277,999
Child Care and Development Fund, Resource and Referral Program	93.575	CRRP-4002	31,971
Child Care Initiative Project	93.575	CCIP-4002	51,142
Child Care and Development Block Grant Health and Safety Training	93.575	CHST-4002	9,350
Stipend (SB115) - ARPA	93.575	CCB-24-15E	199,880
Child Care and Development Fund Alternative Payment	93.575	CAPP-4003	3,494,764
Total Child Care and Development Block Grant			<u>4,065,106</u>
Child Care Mandatory and Matching Funds of the Child Care and Development Fund			
Pass-through from the State of California			
Child Care and Development Fund Alternative Payment	93.596	CAPP-3003	2,466,220
Child Care and Development Fund, State 3	93.596	C3AP-4002	1,819,647
			<u>4,285,867</u>
Pass-through program from the County of Alameda:			
Childcare Development Program services	93.596	25203/CAPP- 4000	659,112
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund			<u>4,944,979</u>
Total CCDF Cluster			<u>9,010,085</u>
Temporary Assistance for Needy Families			
Pass-through from the State of California:			
CalWORKS Stage 1	93.558	18418	15,946,269
Total Temporary Assistance for Needy Families			<u>15,946,269</u>
Child Care Allowance Program	93.658	27366	26,896
Total Foster Care _Title IV-E			<u>26,896</u>
Total U.S. Department of Health and Human Services			<u>24,983,250</u>
Total Expenditures of Federal Awards			<u>24,983,250</u>

The accompanying notes to the Schedule of Expenditures of Federal and State Awards
are an integral part of this schedule.

Hively
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Total Expenditures
<u>Expenditures of State Awards</u>			
State of California			
California Department of Social Services - Child Development			
Alternative Payment - Stage 2		C2AP-4002	1,392,740
Alternative Payment - Stage 3		C3AP-4002	1,804,921
Resource and Referral - general, State portion		CRRP-4002	328,608
Child Care Initiative project		CCIP-4002	2,503
Cost of Care (SB 140)		CCB 23-27	7,021,909
Alternative payment		CAPP-4003	13,932,994
Alternative payment		CAPP-3003	1,915,833
CalWORKS Stage 1		18418	1,369,343
Foster Care Child Care Allowance Program (FCCCAP)		27366	141,205
			<u>27,910,056</u>
Pass-through from the County of Alameda:			
Alternative payment		25203/CAPP-4000	369,420
Inclusive Early Education Expansion Program Grant (IEEEP)		B23-00219	4,100
UPK Mixed Delivery			25,000
			<u>398,520</u>
Pass-through from First 5 Alameda County:			
First 5 Quality		PS-ECE-2324-222	113,710
First 5 Family, Friend and Neighbor (FFN)		PS-ECE-2324-236	81,000
Covered California		24-N-32	60,500
			<u>255,210</u>
Total State of California			<u>28,563,786</u>
Total Expenditures of State Awards			<u>28,563,786</u>
Total Expenditures of Federal and State Awards			<u>\$ 53,547,036</u>

The accompanying notes to the Schedule of Expenditures of Federal and State Awards
are an integral part of this schedule.

Hively
Notes to Schedule of Expenditures of Federal and State Awards
June 30, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of Hively (a California nonprofit corporation) (the "Agency") under programs of the federal government and State of California for the year ended June 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) and the California Department of Social Services. Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

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 limited as to reimbursement. Pass-through entity identifying numbers are presented where available and applicable.

3. INDIRECT COST RATE

The Agency uses the 10% de minimis indirect cost rate for certain federal awards, unless a higher indirect cost rate is allowed, in which case the Agency applies indirect costs in accordance with the specific terms of its federal award agreements.

Hively
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>
Temporary Assistance for Needy Families	93.558
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

Hively
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

SECTION II - SUMMARY OF FINANCIAL STATEMENT FINDINGS

There are no financial statement findings to be reported.

SECTION III - SUMMARY OF FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no federal award findings to be reported.

Hively
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2025

There were no prior year findings.

SUPPORTING SCHEDULES REQUIRED BY CALIFORNIA DEPARTMENT OF SOCIAL
SERVICES

Hively
General Information
For the Year Ended June 30, 2025

Center Name	Hively
Contract Numbers	CAPP-3003 CAPP-4003 CAPP-4000 C2AP-4002 C3AP-4002 CHST-4002 CRRP-4002 CCIP-4002
Type of Agency	California Nonprofit Public Benefit Corporation
Address	Agency: 7901 Stoneridge Drive, Suite 150 Pleasanton, CA 94588
Name of Executive Director	Mary Hekl
Audit Period	For the year ended June 30, 2025
Number of Operations Days of Agency	246
Scheduled Daily Hours of Operation	Varies

Hively
Operating Programs - Schedule of Activities and Changes in Net Assets
For the Year Ended June 30, 2025

	CDSS Programs	County of Alameda	CDSS Resource and Referral Programs	Other Programs	Mental Health	General Programs	Total
Support and revenue							
Contract revenue	\$27,025,892	\$18,592,848	\$ 421,299	\$ 8,815,109	\$ 119,607	\$ -	\$ 54,974,755
Parent fees	13,523	-	-	-	-	-	13,523
Contributions	-	-	-	-	-	97,570	97,570
In-kind revenue	-	-	-	-	-	10,100	10,100
Program service fees	-	-	-	-	883,973	1,500	885,473
Interest	14,740	2,546	9	5,487	-	52,558	75,340
Other revenue	-	-	2,266	28,795	-	204	31,265
Total support and revenue	<u>27,054,155</u>	<u>18,595,394</u>	<u>423,574</u>	<u>8,849,391</u>	<u>1,003,580</u>	<u>161,932</u>	<u>56,088,026</u>
Expenditures							
Provider payments	22,338,837	15,652,010	-	6,920,949	-	208	44,912,004
Certified salaries	1,918,345	1,432,129	83,201	148,466	589,471	771,195	4,942,807
Classified salaries	529,343	121,393	111,081	57,501	36,651	-	855,969
Employee benefits	925,351	420,426	45,639	51,337	170,712	170,781	1,784,246
Books and supplies	135,663	85,292	30,768	32,905	53,622	14,950	353,200
Service and other operating expense	765,544	551,089	119,727	116,061	205,475	365,320	2,123,216
Depreciation	-	-	-	-	-	25,731	25,731
Indirect Cost	428,325	249,906	33,158	232,896	159,337	(1,103,622)	-
Total expenditures	<u>27,041,408</u>	<u>18,512,245</u>	<u>423,574</u>	<u>7,560,115</u>	<u>1,215,268</u>	<u>244,563</u>	<u>54,997,173</u>
Changes in net assets	12,747	83,149	-	1,289,276	(211,688)	(82,631)	1,090,853
Net assets, beginning of year	<u>388,986</u>	<u>676,344</u>	<u>80,046</u>	<u>1,251,490</u>	<u>390,644</u>	<u>1,172,760</u>	<u>3,960,270</u>
Net assets, end of year	<u>\$ 401,733</u>	<u>\$ 759,493</u>	<u>\$ 80,046</u>	<u>\$ 2,540,766</u>	<u>\$ 178,956</u>	<u>\$ 1,090,129</u>	<u>\$ 5,051,123</u>

Hively
Combining Schedule of Activities - County of Alameda Programs
For the Year Ended June 30, 2025

	<u>Alameda County CAPP-4000</u>	<u>Alameda County FCCCAP</u>	<u>Alameda County CDSS Stage 1</u>	<u>Combining Schedule of County of Alameda Programs</u>
Support and revenue				
State of California	\$ 1,130,317	\$ -	\$ -	\$ 1,130,317
County of Alameda	-	159,250	17,303,281	17,462,531
Interest income	<u>130</u>	<u>-</u>	<u>2,416</u>	<u>2,546</u>
Total support and revenue	<u>1,130,447</u>	<u>159,250</u>	<u>17,305,697</u>	<u>18,595,394</u>
Expenditures				
Provider payments	841,323	53,985	14,756,702	15,652,010
Certified salaries	101,026	87,830	1,243,273	1,432,129
Classified salaries	11,098	-	110,295	121,393
Employee benefits	27,662	22,389	370,375	420,426
Books and supplies	4,988	477	79,827	85,292
Service and other operating expense	25,158	3,421	522,510	551,089
Indirect Cost	<u>17,277</u>	<u>-</u>	<u>232,629</u>	<u>249,906</u>
Total expenditures	<u>1,028,532</u>	<u>168,102</u>	<u>17,315,611</u>	<u>18,512,245</u>
Change in net assets	<u>\$ 101,915</u>	<u>\$ (8,852)</u>	<u>\$ (9,914)</u>	<u>\$ 83,149</u>

Hively
Combining Schedule of Activities - Alternative Payment Program
For the Year Ended June 30, 2025

	General CAPP-3003	General CAPP-4003	CalWORKs Stage 2 C2AP-4002	CalWORKs Stage 3 C3AP-4002	Total CDSS Alternative Payment
Support and revenue					
State of California	\$ 6,095,318	\$ 15,642,305	\$ 1,669,354	\$ 3,618,915	\$ 27,025,892
Interest income	1,825	9,198	1,264	2,453	14,740
Other income	<u>1,785</u>	<u>8,417</u>	<u>121</u>	<u>3,200</u>	<u>13,523</u>
Total support and revenue	<u>6,098,928</u>	<u>15,659,920</u>	<u>1,670,739</u>	<u>3,624,568</u>	<u>27,054,155</u>
Expenditures					
Provider payments	5,108,897	12,872,679	1,365,418	2,991,843	22,338,837
Certified salaries	475,000	1,162,223	73,108	208,014	1,918,345
Classified salaries	65,000	314,507	58,362	91,474	529,343
Employee benefits	170,000	532,549	70,341	152,461	925,351
Books and supplies	21,100	84,342	9,684	20,537	135,663
Service and other operating expenses	120,440	474,496	67,889	102,719	765,544
Indirect Cost	<u>74,779</u>	<u>270,089</u>	<u>25,937</u>	<u>57,520</u>	<u>428,325</u>
Total expenditures	<u>6,035,216</u>	<u>15,710,885</u>	<u>1,670,739</u>	<u>3,624,568</u>	<u>27,041,408</u>
Changes in net assets	63,712	(50,965)	-	-	12,747
Audit adjustments					
Other approved capital outlay	63,712	-	-	-	63,712
Provider payments	<u>(1,716,875)</u>	<u>1,490,017</u>	<u>73,954</u>	<u>(9,000)</u>	<u>(161,904)</u>
Total audit adjustments	<u>(1,653,163)</u>	<u>1,490,017</u>	<u>73,954</u>	<u>(9,000)</u>	<u>(98,192)</u>
Billed to contract	<u>\$ 4,382,053</u>	<u>\$ 17,200,902</u>	<u>\$ 1,744,693</u>	<u>\$ 3,615,568</u>	<u>\$ 26,943,216</u>

The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles.

Hively
Combining Schedule of Activities - Resource and Referral Program
For the Year Ended June 30, 2025

	Resource and Referral <u>CRRP-4002</u>	CCDBG Child Care Initiative Project CCIP- 4002	CCDBG Health and Safety CHST- 4002	Total CDSS Resource and Referral
Support and revenue				
State of California	\$ 358,314	\$ 53,635	\$ 9,350	\$ 421,299
Interest income	-	9	-	9
Other income	<u>2,266</u>	-	-	<u>2,266</u>
Total support and revenue	<u>360,580</u>	<u>53,644</u>	<u>9,350</u>	<u>423,574</u>
Expenditures				
Certified salaries	53,256	29,945	-	83,201
Classified salaries	105,326	5,547	208	111,081
Employee benefits	35,937	9,702	-	45,639
Books and supplies	27,770	2,998	-	30,768
Service and other operating expense	109,768	1,468	8,491	119,727
Indirect Cost	<u>28,523</u>	<u>3,984</u>	<u>651</u>	<u>33,158</u>
Total expenditures	<u>360,580</u>	<u>53,644</u>	<u>9,350</u>	<u>423,574</u>
Change in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Hively
Combining Schedule of Administrative Costs - CDSS Programs
For the Year Ended June 30, 2025

	<u>General Program CAPP-3003</u>	<u>General Program CAPP-4003</u>	<u>CalWORKs Stage 2 C2AP-4002</u>	<u>CalWORKs Stage 3 Timing Out C3AP-4002</u>	<u>Contract through Alameda County CAPP-4000</u>	<u>Total</u>
Administrative costs						
Salaries and wages	\$ 65,000	\$ 314,507	\$ 58,362	\$ 91,474	\$ 11,098	\$ 540,441
Employee benefits	13,292	77,801	15,999	21,564	2,027	130,683
Books and supplies	2,021	11,827	2,194	3,529	335	19,906
Operating expenses	1,766	76,279	9,911	15,022	2,272	105,250
Indirect costs	<u>74,779</u>	<u>270,089</u>	<u>25,937</u>	<u>57,520</u>	<u>17,277</u>	<u>445,602</u>
Total administrative costs	<u>\$ 156,858</u>	<u>\$ 750,503</u>	<u>\$ 112,403</u>	<u>\$ 189,109</u>	<u>\$ 33,009</u>	<u>\$ 1,241,882</u>

Hively
Schedule of Claimed Equipment Expenditures
For the Year Ended June 30, 2025

	<u>CAPP-3003</u>	<u>CAPP-4003</u>	<u>C3AP-4002</u>	<u>CAPP-4000</u>	<u>Total</u>
Capitalized Equipment Expensed on the <u>AUD With Prior Written Approval</u>					
Vehicles - Hively on Wheels Van	\$ 63,712	\$ -	\$ -	\$ -	\$ 63,712
Capitalized Equipment Expensed on the <u>AUD Without Prior Written Approval</u>					
None	-	-	-	-	-
 Total	<u>\$ 63,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,712</u>

Hively
Schedule of Claimed Renovation and Repair Expenditures
For the Year Ended June 30, 2025

Renovations and Repairs:

Capitalized R&R Project Under \$10,000

None \$ _____ -

Capitalized R&R Project of \$10,000 or More with
Prior Written Approval

None _____ -

Capitalized R&R Project of \$10,000 or More without
Prior Written Approval

None _____ -

Total Renovations and Repairs \$ _____ -

Hively
Notes to Child Care Supplementary Information
For the Year Ended June 30, 2025

1. INTEREST EXPENSE

Interest expense is only allowable as a reimbursable cost in certain circumstances when it has been preapproved by the administering state department or relates to the lease purchase, acquisition, or repair or renovation of early learning and care facilities owned or leased by the contractor. No interest expense was claimed to a child development contract for the year ended June 30, 2025.

2. RELATED PARTY RENT

All expenses claimed for reimbursement under a related party rent transaction must be supported by a fair market rental estimate from an independent appraiser, licensed by the California Office of Real Estate Appraisers. No related party rent expense was claimed to a child development contract for the year ended June 30, 2025.

3. BAD DEBT EXPENSE

Bad debt expense is unallowable unless it relates to uncollected family fees where documentation of adequate collection attempts exists. No bad debt expense was claimed to a child development contract for the year ended June 30, 2025.

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

Fiscal Year Ending **June 30, 2025**

Contract Number* **CAPP4003**

Vendor Code* **01-0B388-00**

Full Name of Contractor* **Hively**

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children		8,417		8,417
Interest Earned on Child Development Apportionment Payments		9,198		9,198
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		17,615		17,615

*Indicates field is required.

Contract Number **CAPP4003**

Full Name of Contractor **Hively**

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		14,362,698	-1,490,019	12,872,679
1000 Certificated Salaries		1,162,223		1,162,223
2000 Classified Salaries		314,507		314,507
3000 Employee Benefits		532,549		532,549
4000 Books and Supplies		84,342		84,342
5000 Services and Other Operating Expenses		474,495	1	474,496
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)		270,088	1	270,089
Total Reimbursable Expenses		17,200,902	-1,490,017	15,710,885
Total Administrative Cost (included in Section 2 above)		750,501		750,501
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number CAPP4003

Full Name of Contractor Hively

Section 3 - Supplemental Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding				
Other:				
Total Supplemental Revenue				

Section 4 - Supplemental Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
Total Supplemental Expenses				

Contract Number

CAPP4003

Full Name of Contractor **Hively**

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children		8,417		8,417
Interest Earned on Child Development Apportionment Payments		9,198		9,198
Direct Payments to Providers		14,362,698	-1,490,019	12,872,679
Total Administrative Cost		750,501		750,501
Days of Operation		246		246
Total Reimbursable Expenses		17,200,902	-1,490,017	15,710,885
Non-Reimbursable (State use only)	N/A	N/A		

Comments: The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles. Other Audit adjustments are on account of rounding differences in decimal places due to the CDSS monthly reporting only accepting whole numbers.

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

Fiscal Year Ending June 30, 2025

Contract Number* CAPP3003

Vendor Code* 01-0B388-00

Full Name of Contractor* Hively

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children	10,990	1,785		12,775
Interest Earned on Child Development Apportionment Payments	1,111	1,825		2,936
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)	12,101	3,610		15,711

*Indicates field is required.

Contract Number **CAPP3003**

Full Name of Contractor **Hively**

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers	11,124,786	3,392,022		14,516,808
1000 Certificated Salaries	789,917	475,000		1,264,917
2000 Classified Salaries	392,254	65,000		457,254
3000 Employee Benefits	362,329	170,000		532,329
4000 Books and Supplies	157,174	21,100		178,274
5000 Services and Other Operating Expenses	384,285	120,440	-33,575	471,150
6100/6200 Other Approved Capital Outlay		63,712		63,712
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)			33,575	33,575
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)		74,779		74,779
Total Reimbursable Expenses	13,210,745	4,382,053		17,592,798
Total Administrative Cost (included in Section 2 above)	713,051	156,858		869,909
Days of Operation	246			246

Approved Indirect Cost Rate:

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

Contract Number CAPP3003

Full Name of Contractor Hively

Section 3 - Supplemental Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding				
Other:				
Total Supplemental Revenue				

Section 4 - Supplemental Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
Total Supplemental Expenses				

Contract Number **CAPP3003**

Full Name of Contractor **Hively**

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children	10,990	1,785		12,775
Interest Earned on Child Development Apportionment Payments	1,111	1,825		2,936
Direct Payments to Providers	11,124,786	3,392,022		14,516,808
Total Administrative Cost	713,051	156,858		869,909
Days of Operation	246			246
Total Reimbursable Expenses	13,210,745	4,382,053		17,592,798
Non-Reimbursable (State use only)	N/A	N/A		

Comments:

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

Fiscal Year Ending June 30, 2025

Contract Number* CAPP4000

Vendor Code* 01-0B388-00

Full Name of Contractor* Hively

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		130		130
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		130		130

*Indicates field is required.

Contract Number **CAPP4000**

Full Name of Contractor **Hively**

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		882,555	-41,232	841,323
1000 Certificated Salaries		101,026		101,026
2000 Classified Salaries		11,098		11,098
3000 Employee Benefits		27,662		27,662
4000 Books and Supplies		4,988		4,988
5000 Services and Other Operating Expenses		25,158		25,158
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)		17,277		17,277
Total Reimbursable Expenses		1,069,764	-41,232	1,028,532
Total Administrative Cost (included in Section 2 above)		33,009		33,009
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number CAPP4000

Full Name of Contractor Hively

Section 3 - Supplemental Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding				
Other:				
Total Supplemental Revenue				

Section 4 - Supplemental Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
Total Supplemental Expenses				

Contract Number **CAPP4000**

Full Name of Contractor **Hively**

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children				
Interest Earned on Child Development Apportionment Payments		130		130
Direct Payments to Providers		882,555	-41,232	841,323
Total Administrative Cost		33,009		33,009
Days of Operation		246		246
Total Reimbursable Expenses		1,069,764	-41,232	1,028,532
Non-Reimbursable (State use only)	N/A	N/A		

Comments: The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles. Other Audit adjustments are on account of rounding differences in decimal places due to the CDSS monthly reporting only accepting whole numbers.

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

Fiscal Year Ending **June 30, 2025**

Contract Number* **C2AP4002**

Vendor Code* **01-0B388-00**

Full Name of Contractor* **Hively**

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children		122	-1	121
Interest Earned on Child Development Apportionment Payments		1,264		1,264
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		1,386	-1	1,385

*Indicates field is required.

Contract Number **C2AP4002**

Full Name of Contractor **Hively**

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		1,439,372	-73,954	1,365,418
1000 Certificated Salaries		73,108		73,108
2000 Classified Salaries		58,362		58,362
3000 Employee Benefits		70,340	1	70,341
4000 Books and Supplies		9,685	-1	9,684
5000 Services and Other Operating Expenses		67,888	1	67,889
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)		25,938	-1	25,937
Total Reimbursable Expenses		1,744,693	-73,954	1,670,739
Total Administrative Cost (included in Section 2 above)		112,404		112,404
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number C2AP4002

Full Name of Contractor Hively

Section 3 - Supplemental Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding				
Other:				
Total Supplemental Revenue				

Section 4 - Supplemental Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
Total Supplemental Expenses				

Contract Number **C2AP4002**

Full Name of Contractor **Hively**

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDSS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children		122	-1	121
Interest Earned on Child Development Apportionment Payments		1,264		1,264
Direct Payments to Providers		1,439,372	-73,954	1,365,418
Total Administrative Cost		112,404		112,404
Days of Operation		246		246
Total Reimbursable Expenses		1,744,693	-73,954	1,670,739
Non-Reimbursable (State use only)	N/A	N/A		

Comments: The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles. Other Audit adjustments are on account of rounding differences in decimal places due to the CDSS monthly reporting only accepting whole numbers.

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

Fiscal Year Ending **June 30, 2025**

Contract Number* **C3AP4002**

Vendor Code* **01-0B388-00**

Full Name of Contractor* **Hively**

Section 1 - Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Child Nutrition Programs				
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)				
Restricted Income - Uncashed Checks to Providers				
Restricted Income - Other:				
Restricted Income - Subtotal				
Transfer from Reserve (alternative payment only)				
Waived Family Fees for Certified Children*				
Family Fees Collected for Certified Children		3,199	1	3,200
Interest Earned on Child Development Apportionment Payments		2,454	-1	2,453
Unrestricted Income - Other:				
Total Revenue (*Waived Family Fees Not Included)		5,653		5,653

*Indicates field is required.

Contract Number **C3AP4002**

Full Name of Contractor **Hively**

Section 2 - Reimbursable Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers		2,982,843	9,000	2,991,843
1000 Certificated Salaries		208,014		208,014
2000 Classified Salaries		91,474		91,474
3000 Employee Benefits		152,461		152,461
4000 Books and Supplies		20,538	-1	20,537
5000 Services and Other Operating Expenses		102,717	2	102,719
6100/6200 Other Approved Capital Outlay				
6400 New Equipment (program-related)				
6500 Equipment Replacement (program-related)				
Depreciation or Use Allowance				
Indirect Costs (include in Total Administrative Cost)		57,521	-1	57,520
Total Reimbursable Expenses		3,615,568	9,000	3,624,568
Total Administrative Cost (included in Section 2 above)		189,109		189,109
Days of Operation		246		246

Approved Indirect Cost Rate:

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

Contract Number C3AP4002

Full Name of Contractor Hively

Section 3 - Supplemental Revenue

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding				
Other:				
Total Supplemental Revenue				

Section 4 - Supplemental Expenses

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDFS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Direct Payments to Providers				
1000 Certificated Salaries				
2000 Classified Salaries				
3000 Employee Benefits				
4000 Books and Supplies				
5000 Services and Other Operating Expenses				
6000 Equipment / Capital Outlay				
Depreciation or Use Allowance				
Indirect Costs				
Non-Reimbursable Supplemental Expenses				
Total Supplemental Expenses				

Contract Number **C3AP4002**

Full Name of Contractor **Hively**

Section 5 - Summary

	Column A1 Cumulative Prior Year AUD 9500AP (Multi-Year Contract Only)	Column A2 Cumulative Current Year CDSS 9500AP	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income				
Transfer from Reserve (alternative payment only)				
Family Fees Collected for Certified Children		3,199	1	3,200
Interest Earned on Child Development Apportionment Payments		2,454	-1	2,453
Direct Payments to Providers		2,982,843	9,000	2,991,843
Total Administrative Cost		189,109		189,109
Days of Operation		246		246
Total Reimbursable Expenses		3,615,568	9,000	3,624,568
Non-Reimbursable (State use only)	N/A	N/A		

Comments: The audit adjustment reflects the recognition of attendance sheets for childcare services provided during the contract term and paid under the terms of the contract, with expense for the same deferred for recording in the subsequent month and fiscal year, when Hively received information and supporting documents regarding the expense - in compliance with GAAP cost and revenue recognition principles. Other Audit adjustments are on account of rounding differences in decimal places due to the CDSS monthly reporting only accepting whole numbers.

**AUDITED FISCAL REPORT FOR
RESOURCE AND REFERRAL PROGRAMS**

Fiscal Year Ending **June 30, 2025**

Contract Number* **CRRP4002**

Vendor Code* **01-0B388-00**

Full Name of Contractor **Hively**

Section 1 - Revenue

	Column A Cumulative FY CDFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:	897	1	898
Restricted Income - Subtotal	897	1	898
Transfer from Reserve (resource & referral only)			
Interest Earned on Child Development Apportionment Payments	1,368		1,368
Unrestricted Income - Other:			
Total Revenue	2,265	1	2,266

*Indicates field is required.

Contract Number CRRP4002

Full Name of Contractor Hively

Section 2 - Reimbursable Expenses

	Column A Cumulative FY CDFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	53,256		53,256
2000 Classified Salaries	105,326		105,326
3000 Employee Benefits	35,937		35,937
4000 Books and Supplies	27,770		27,770
5000 Services and Other Operating Expenses	109,768		109,768
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs	28,522	1	28,523
Total Reimbursable Expenses	360,579	1	360,580

Approved Indirect Cost Rate:

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

Contract Number CRRP4002

Full Name of Contractor Hively

Section 3 - Supplemental Revenue

	Column A Cumulative FY CDFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other:			
Other:			
Total Supplemental Revenue			

Section 4 - Supplemental Expenses

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

Contract Number

CRRP4002

Full Name of Contractor

Hively

Section 5 - Summary

	Column A Cumulative FY CDFS 2507	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income	897	1	898
Transfer from Reserve			
Interest Earned on Apportionment Payments	1,368		1,368
Total Reimbursable Expenses	360,579	1	360,580
Non-Reimbursable (State use only)	N/A	N/A	

Comments:

**AUDITED FISCAL REPORT FOR
CHILD DEVELOPMENT SUPPORT CONTRACTS**

Fiscal Year Ending **June 30, 2025**

Contract Number **CCIP4002**

Vendor Code **01-0B388-00**

Full Name of Contractor

Section 1 - Revenue

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Income - Match Requirement (CLPC only)			
Restricted Income - County Maintenance of Effort (WIC Section 10308.5)			
Restricted Income - Other:			
Restricted Income - Subtotal			
Interest Earned on Child Development Apportionment Payments	9		9
Unrestricted Income - Match Requirement (CLPC only)			
Unrestricted Income - Other:			
Total Revenue	9		9

*Indicates field is required.

Contract Number CCIP4002

Full Name of Contractor

Section 2 - Reimbursable Expenses

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries	29,946	-1	29,945
2000 Classified Salaries	5,547		5,547
3000 Employee Benefits	9,702		9,702
4000 Books and Supplies	2,998		2,998
5000 Services and Other Operating Expenses	1,468		1,468
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (include in Total Administrative Cost)	3,984		3,984
Total Reimbursable Expenses	53,645	-1	53,644
Total Administrative Cost (included in Section 2 above)	3,984		3,984

Approved Indirect Cost Rate:

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

Contract Number CCIP4002

Full Name of Contractor

Section 3 - Supplemental Revenue

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other:			
Other:			
Total Supplemental Revenue			

Section 4 - Supplemental Expenses

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses			

Contract Number CCIP4002

Full Name of Contractor

Section 5 - Summary

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Restricted Income - Match Requirement (CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments	9		9
Total Reimbursable Expenses	53,645	-1	53,644
Total Administrative Cost	3,984		3,984
Non-Reimbursable (State use only)	N/A	N/A	

Comments: Audit adjustments are on account of rounding differences in decimal places due to the CDSS monthly reporting only accepting whole numbers.

**AUDITED FISCAL REPORT FOR
CHILD DEVELOPMENT SUPPORT CONTRACTS**

Fiscal Year Ending June 30, 2025

Contract Number CHST4002

Vendor Code 01-0B388-00

Full Name of Contractor Hively

Section 1 - Revenue

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

*Indicates field is required.

Contract Number CHST4002

Full Name of Contractor Hively

Section 2 - Reimbursable Expenses

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries	208		208
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses	8,491		8,491
6100/6200 Other Approved Capital Outlay			
6400 New Equipment (program-related)			
6500 Equipment Replacement (program-related)			
Depreciation or Use Allowance			
Indirect Costs (include in Total Administrative Cost)	651		651
Total Reimbursable Expenses	9,350		9,350
Total Administrative Cost (included in Section 2 above)	859		859

Approved Indirect Cost Rate:

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

Contract Number CHST4002

Full Name of Contractor Hively

Section 3 - Supplemental Revenue

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Enhancement Funding			
Other:			
Other:			
Total Supplemental Revenue			

Section 4 - Supplemental Expenses

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
1000 Certificated Salaries			
2000 Classified Salaries			
3000 Employee Benefits			
4000 Books and Supplies			
5000 Services and Other Operating Expenses			
6000 Equipment / Capital Outlay			
Depreciation or Use Allowance			
Indirect Costs			
Non-Reimbursable Supplemental Expenses			
Total Supplemental Expenses			

Contract Number CHST4002

Full Name of Contractor Hively

Section 5 - Summary

	Column A Cumulative FY CDFS 9529	Column B Audit Adjustments	Column C Cumulative per Audit
Restricted Program Income			
Restricted Income - Match Requirement (CLPC only)			
Unrestricted Income - Match Requirement			
Interest Earned on Child Development Apportionment Payments			
Total Reimbursable Expenses	9,350		9,350
Total Administrative Cost	859		859
Non-Reimbursable (State use only)	N/A	N/A	

Comments:

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Fiscal Year End	June 30, 2025
Reserve Account Type	Alternative Payment
Vendor Code	01-0B388-00

Full Name of Contractor **Hively**

Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2023–24 AUD 9530A Ending Balance)	77,080
2. Plus Transfers to Reserve Account:	Per 2023–24 Post-Audit CDFS 9530
Contract No.	
Total Transferred from 2023–24 Contracts to Reserve	0
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2023-24 Post-Audit CDFS 9530	77,080

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

	Column A CDFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve:	115		115
6. Less Transfers to Contracts from Reserve:			
Contract No.			0
Total Transferred to Contracts from Reserve Account	0	0	0
7. Ending Balance on June 30, 2025	77,195	0	77,195

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

The CDSS Reserve Account Status report uses the opening reserve balance as on 7/1/2023 for it's calculations. The above balances may be different from the report to that extent.

*Indicates field is required.

AUDITED RESERVE ACCOUNT ACTIVITY REPORT

Fiscal Year End	June 30, 2025
Reserve Account Type	Resource & Referral
Vendor Code	01-0B388-00

Full Name of Contractor **Hively**

Section 1 - Prior Year Reserve Account Activity

1. Beginning Balance (2023–24 AUD 9530A Ending Balance)	6,404
2. Plus Transfers to Reserve Account:	Per 2023–24 Post-Audit CDFS 9530
Contract No.4	
Contract No.	
Total Transferred from 2023–24 Contracts to Reserve	0
3. Less Excess Reserve to be Billed	
4. Ending Balance per 2023-24 Post-Audit CDFS 9530	6,404

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

	Column A CDFS 9530A	Column B Audit Adjustments	Column C per Audit
5. Plus Interest Earned This Year on Reserve:	4		4
6. Less Transfers to Contracts from Reserve:			
Contract No.			0
Total Transferred to Contracts from Reserve Account	0	0	0
7. Ending Balance on June 30, 2025	6,408	0	6,408

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

The CDSS Reserve Account Status report uses the opening reserve balance as on 7/1/2023 for it's calculations. The above balances may be different from the report to that extent.

*Indicates field is required.