FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2025
(With summarized totals for the year ended December 31, 2024)

THE CHILDREN'S PARTNERSHIP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Children's Partnership
Los Angeles, California

Opinion

We have audited the accompanying financial statements of The Children's Partnership (Organization) (a nonprofit organization), which comprise the statement of financial position as of December 31, 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 the Organization as of December 31, 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. Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

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 the Organization's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements 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 the Organization'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 out judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited The Children's Partnership 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 22, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended in all material respects, with the audited financial statements from which it has been derived.

Zuehls, Legaspi & Co.

Los Angeles, California
June 2, 2026

THE CHILDREN'S PARTNERSHIP
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 8,204,104	$ 7,105,359
Accounts receivable, net	2,798	200,000
Promises to give, net	3,805,000	4,260,000
Prepaid expenses	68,195	9,629
TOTAL CURRENT ASSETS	12,080,097	11,574,988
Property and equipment, net	-	-
Deposits	5,198	5,198
TOTAL ASSETS	$ 12,085,295	$ 11,580,186
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 34,242	$ 29,621
Accrued expenses and other liabilities	66,002	81,303
Agency funds	2,000,000	2,000,000
TOTAL CURRENT LIABILITIES	2,100,244	2,110,924
TOTAL LIABILITIES	2,100,244	2,110,924
COMMITMENT		
NET ASSETS		
Without donor restrictions	3,239,977	2,825,293
With donor restrictions	6,745,074	6,643,969
TOTAL NET ASSETS	9,985,051	9,469,262
TOTAL LIABILITIES AND NET ASSETS	$ 12,085,295	$ 11,580,186

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

THE CHILDREN'S PARTNERSHIP
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025
(with summarized totals for the year ended December 31, 2024)

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	2025 TOTAL	2024 TOTAL
PUBLIC SUPPORT AND REVENUE				
Grants - Foundations and nonprofits	$ 1,080,000	$ 3,930,375	$ 5,010,375	$ 3,794,200
Contributions - General public	38,573	-	38,573	64,959
Contract program services	400,000		400,000	400,000
Other income	35,409	-	35,409	3,735
In-kind contributions	8,000	-	8,000	-
Special events				
Gross revenue	-	-	-	41,617
Less cost of direct benefits to donors	-	-	-	(22,318)
Special events, net	-	-	-	19,299
TOTAL PUBLIC SUPPORT AND REVENUE	1,561,982	3,930,375	5,492,357	4,282,193
Net assets released friom restrictions	3,829,270	(3,829,270)	-	-
TOTAL PUBLIC SUPPORT, REVENUE AND RECLASSIFICATIONS	5,391,252	101,105	5,492,357	4,282,193
EXPENSES				
Program services	4,022,173	-	4,022,173	4,259,357
Management and general	671,760	-	671,760	617,489
Fundraising	282,635	-	282,635	240,608
TOTAL EXPENSES	4,976,568	-	4,976,568	5,117,454
CHANGE IN NET ASSETS	414,684	101,105	515,789	(835,261)
NET ASSETS, BEGINNING OF YEAR	2,825,293	6,643,969	9,469,262	10,304,523
NET ASSETS, END OF YEAR	$ 3,239,977	$ 6,745,074	$ 9,985,051	$ 9,469,262

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

THE CHILDREN'S PARTNERSHIP
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025
(with summarized totals for the year ended December 31, 2024)

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	2025 TOTAL	2024 TOTAL
Salaries, wages and benefits	$ 1,507,783	$ 264,343	$ 214,645	$ 1,986,771	$ 2,067,070
Employee benefits and related taxes	457,726	70,195	58,482	586,403	566,465
TOTAL PERSONNEL	1,965,509	334,538	273,127	2,573,174	2,633,535
Advertising and promotion	21,193	6,640	408	28,241	73,587
Consultants - program	268,869	-	-	268,869	237,741
Consultants - strategic planning and coaching	40,837	100,773	-	141,610	83,812
Contract services	282,519	9,120	5,583	297,222	227,395
Dues and subscriptions	3,250	-	-	3,250	3,250
Grants and assistance to other organizations	1,327,541	12,450	-	1,339,991	1,483,994
Information technology	13,390	32,239	8	45,637	-
Insurance	-	4,903	-	4,903	16,941
Office expenses	6,154	8,127	217	14,498	165,549
Professional services	-	84,524	-	84,524	59,862
Rent	-	44,577	150	44,727	38,878
Travel and meetings	92,911	33,869	3,142	129,922	92,910
Total expenses before depreciation	2,056,664	337,222	9,508	2,403,394	2,483,919
Depreciation	-	-	-	-	-
TOTAL EXPENSES	$ 4,022,173	$ 671,760	$ 282,635	$ 4,976,568	$ 5,117,454

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

THE CHILDREN'S PARTNERSHIP
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM (USED FOR) OPERATING ACTIVITIES		
Change in net assets	$ 515,789	$ (835,261)
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Depreciation	-	-
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable, net	197,202	(75,000)
Promises to give, net	455,000	2,464,000
Prepaid expenses	(58,566)	(4,722)
Deposits	-	-
Increase (decrease) in:		
Accounts payable	4,621	(278,213)
Accrued expenses and other liabilities	(15,301)	21,788
Agency funds	-	2,000,000
NET CASH FROM OPERATING ACTIVITIES	1,098,745	3,292,592
CHANGE IN CASH AND CASH EQUIVALENTS	1,098,745	3,292,592
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,105,359	3,812,767
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 8,204,104	$ 7,105,359

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

NOTE 1: PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Children's Partnership (the "Organization") is a California public benefit corporation that was originally formed in 1993. The Organization commenced operations under the fiscal sponsorship and organization services program of Tides Center (Tides), a California 501(c)(3) charitable corporation that gives unincorporated groups with aligned missions a tax-exempt home. As a sponsored project of Tides, the Organization retained programmatic autonomy and was responsible for its fundraising. The Organization received its 501(c)(3) Corporate status in 2015 and now operates independently. The Organization's mission as a California children's advocacy organization is to advance child health equity through research, policy, and community engagement in service of their vision that all children, regardless of their race, ethnicity, or place of birth, have the resources and opportunities they need to grow up healthy and thrive.

In addition to its programmatic work, the Organization serves as a fiscal intermediary and trusted funding partner to governmental and philanthropic entities. The Organization is selected for this role based on its capacity, infrastructure, and expertise in supporting subgrantees and managing complex funding arrangements. In working with governmental agencies, the Organization acts as a conduit for funds on behalf of the state and operates in partnership to determine the use and distribution of those funds. These are treated as agency transactions and recorded as liabilities rather than revenue, as the Organization is primarily administering the transfer of funds to designated recipients. In other cases, the Organization receives restricted grants that include subawards or pass-through components, but where the Organization retains discretion over subrecipient selection, oversight, and program design. These are recognized as revenue, as they reflect the Organization's programmatic role in directing and managing the funding in alignment with the grant's goals. Additional detail on current-year fiscal intermediary activity is included in Note 7 – Agency Funds.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Classification and Reporting of Funds

In August 2016, the FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958). Under the main provisions of this update, net assets and changes in net assets are presented only for two classes: net assets with donor restrictions and net assets without donor restrictions, rather than the three classes: unrestricted, temporarily restricted, and permanently restricted.

FASB ASC 958-205-45 requires the Organization to report all of its expenses in the assets without donor restrictions (unrestricted), regardless of the source of the funds for the expenditures. A transfer of expenses from the assets without donor restrictions (unrestricted) to the assets with donor restrictions (restricted) will be reported, if applicable, to match the restricted revenue with the restricted expenses.

Comparative Financial Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with the Organization's audited consolidated financial statements for the year ended December 31, 2024, from which the summarized information was derived.

NOTE 1: PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents for the Organization include demand deposits with financial institutions. For the statement of cash flows, cash equivalents are defined as short-term, highly liquid amounts of cash or were purchased so near their maturity that they present insignificant risk of change in value because of changes in interest rates.

The total amount of $8,204,104 reported as cash and cash equivalents as of December 31, 2025, consists of demand deposits with maturities of 90 days or less and cash on hand.

Accounts Receivable, net

Accounts receivable are recorded primarily for contract service programs and are reported at net realizable value if the amounts are due within one year. An allowance for doubtful accounts is based on an analysis of expected collection rates determined from experience. No allowance for doubtful accounts was considered necessary as of December 31, 2025, and 2024.

Promises to Give, net - Receivables and Credit Policies

Promises to give are recorded when they meet specific criteria and consist primarily of non-interest-bearing receivables for services, educational, and training programs. The Organization determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable.

The Organization records unconditional promises to give that meet specific criteria and are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset.

Property and equipment, net

Property and equipment are stated at cost when purchased or at estimated fair market value at the date of bequest or gift. Depreciation is provided using the straight-line method over the estimated useful life of the related asset, principally 5 years for computer equipment and software, 7 years for furniture and fixtures, and 15 years for leasehold improvements. It is the Organization's policy to expense items purchased or donated with values less than $5,000. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no assets for the year ended December 31, 2025.

NOTE 1: PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor-) imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets are subject to donor (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions Received and Made

In accordance with FASB ASC 958-605-50, revenues from contributions are recognized pursuant to the terms specified by the donor. The Organization recognizes all contributed support received as income in the period received. Contributed support is reported as unrestricted or as restricted depending on the existence of donor stipulations that limit the use of the support or if they are designated as support for future periods.

In accordance with FASB ASC 958-605-50, unconditional grant payments are recognized as an expense in the period in which they are approved. If these grants are to be paid over a period exceeding one year, they are recorded at the net present value of the future cash payments, using an applicable discount rate. Grants that are conditional upon a future and uncertain event are expensed when these conditions are substantially met. A conditional promise to give is considered unconditional if the possibility that the condition will not be met is remote.

Revenue and Revenue Recognition

The Organization recognizes grants and contributions when cash, securities, or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Revenues from fee-for-service activities are recognized when the services are provided.

In the event that volunteers are called upon to participate in the Organization's program services, administration, and fundraising and development activities, the value of their contributed time is not reflected on the financial statements because they do not meet the recognition criteria prescribed by generally accepted accounting principles.

NOTE 1: PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Services and In-Kind Contributions

Contributed nonfinancial assets include donated professional services, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 10). The Organization does not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Functional Allocation of Expenses

The cost of providing the Organization’s programs and other activities is summarized on a functional basis in the statement of activities and the statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated based on an allocation study that encompasses factors such as square footage. Salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and others are allocated on the basis of estimated time and effort.

Accordingly, certain costs have been allocated to program services, management, and general and fundraising. The functional classifications are defined as follows:

- *Program service expenses* - consist of costs incurred in connection with providing services and conducting programs.
- *Management and general expenses* - consist of costs incurred in connection with the overall activities of the Organization, which are not allocable to another functional expense category.
- *Fundraising expenses* - are expensed as incurred, even though they may result in contributions received in future years.

Income Taxes

The Organization is organized as a California nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), qualifies for the charitable contribution deduction, and has been determined not to be a private foundation. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, it is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. However, no such unrelated activities occurred; therefore, not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category.

Financial Instruments and Credit Risk (continued)

As of December 31, 2025, and 2024, the Organization had $7,397,262 and $4,436,716, respectively, in excess of FDIC insurance limits. To date, the Organization have not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from Board members, governmental agencies, and foundations supportive of the Organization's mission.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

NOTE 2: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2025	2024
Cash and cash equivalents	$ 8,204,104	$ 7,105,359
Accounts receivable, net	2,798	200,000
Promises to give, net	3,805,000	4,260,000
Total	$ 12,011,902	$ 11,565,359

As of December 31, 2025, and 2024, the financial assets available for general expenditures totaled $12,011,902 and $11,565,359, respectively.

NOTE 3: PROMISES TO GIVE, NET

Promises to give are stated at the amount management expects to collect from outstanding balances. Management provides uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and eliminated as uncollectible receivable.

Management estimates that all promises to give amounts are fully collectible based on their familiarity and history with the donors/sponsors. Accordingly, the allowance for doubtful accounts on December 31, 2025, and 2024 was both $0.

As of December 31, 2025, and 2024, the promises to give, net totaled $3,805,000 and $4,260,000, respectively.

NOTE 4: ACCOUNTS RECEIVABLE, NET

On May 31, 2024, the Organization entered into a $10,000,000 five-year service agreement with the Department of Health Care Services ("DHCS") of the State of California to assist the State in creating a learning community to support youth mental health and promote child well-being. The contract with DHCS is segregated into two separate parts. The first part requires the organization to provide services for implementing various healthcare-related programs in selected schools. The second part of the contract requires the organization to act as a fiscal intermediary agent in passing through funds to DHCS-selected schools totaling $8,000,000. For the year ended December 31, 2025, the organization invoiced $400,000 under the contract. $0 remains uncollected as of December 31, 2025.

When and if applicable, management will estimate the probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. When balances are still outstanding after management has used reasonable collection efforts, they are written off through a charge to the valuation allowances and a credit to accounts receivable.

As of December 31, 2025, the Organization had an outstanding accounts receivable amounting to $2,798, and no allowance for doubtful accounts was recorded. The accounts receivable balance outstanding at December 31, 2024, was fully collectible, and accordingly, no allowance for doubtful accounts was reported for 2024.

NOTE 5: PREPAID EXPENSES

Prepaid expenses represent amounts paid in advance for goods or services that had not yet been incurred as of year-end. As of December 31, 2025, and 2024, prepaid expenses totaled $68,195 and $9,629, respectively.

NOTE 6: PROPERTY AND EQUIPMENT, NET

There were no capitalized assets or equipment at December 31, 2025, and 2024.

Depreciation and amortization expenses totaled $0 for both years ended December 31, 2025, and 2024.

NOTE 7: AGENCY FUNDS

The Organization receives Agency (custodian) funds. Such funds are not owned by the organization and are disbursed only at the direction of the person(s) from whom they were received or held. Such agency funds are reported as liabilities, and subsequent distributions to the designated recipients are reported as decreases to the liabilities.

The passed-through grant amounts obtained from the California Department of Health Care Services-Peer to Peer Pilot Project (2024 -2027), wherein $2,000,000 will be reflected in the statement of operations earned by the Organization, and the $8,000,000 will be reflected as a liability on the balance sheet as such agency funds are received and subject to disbursement.

At December 31, 2025, the Organization held $2,000,000 of Agency funds.

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2025, and 2024 consisted of the following:

	2025	2024
Subject to expenditure for a specified purpose:		
Foundation's advocacy services		
• A Golden State for Kids	$ -	$ 1,109
• Advancing Child Health Equity in Early Childhood.	490,580	696,920
• Advancing Child Health Equity and CA; Saving CA's ACAE's Program for Devastating Budget Cuts	8,455	-
• Advance Early Childhood Development in LA and CA	1,549,297	-
• Advancing Health Access and Coverage for CA's Children	95,000	-
• ALL IN for Safe Schools Civic Engagement Campaign	1,019,362	190,113
• Bringing Up California	281,500	-
• Black Birth Justice	2,362	4,291
• California PN-3 Children's Care Implementation	2,421,760	3,734,907
• Community Health Worker/Promotor/Representative (CHW/P/R) Policy Coalition Participation.	1,780	20,000
• Choose Children 2026	98,174	-
• Dual Language Learner (“DLL”) Policy Advocacy Partnership	3,980	-
• Early Childhood Equity and California PN-3	-	477,134
• Early Childhood Policy and Advocacy	-	224,155
• Health Care (Time Restricted)	107,269	369,298
• Housing Justice as Health Equity Collaborative	-	5,815
• Immigrant Health	65,729	81,846
• Policy & advocacy efforts focused on immigrant justice	20,788	-
• Reimaging Systems Fund -Early Childhood Development	203,796	-
• RWJF Rapid Response Fund	58,280	-
• Whole Child Equity Partnership	316,962	806,407
• Youth Mental Health	-	31,974
Total net assets with donor restrictions	$ 6,745,074	$ 6,643,969

All donor-restricted contributions are reported as an increase in net position with restrictions. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), restricted assets are reclassified to without donor restrictions and reported in the statement of activities as net position released from restriction.

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of the passage of time or other events specified by the donors for the years ended December 31, 2025, and 2024, in the amounts of $3,829,270 and $3,754,934, respectively.

NOTE 9: ADVERTISING AND PROMOTION

Advertising costs and outreach programs are expensed as incurred, approximated, and included in the functional expenses for the years ended December 31, 2025, and 2024, which totaled $28,241 and $73,587, respectively.

NOTE 10: IN-KIND DONATIONS

The Organization received a current-year in-kind contribution valued at $8,000 from Burberry, which was distributed promptly due to the urgent nature of the wildfire response.

For the years ended December 31, 2025, and 2024, in-kind donations totaled $8,000 and $0, respectively.

NOTE 11: LEASES

The Organization rented one office space in Los Angeles, month-to-month at $3,194 per month.

Rent expenses totaled $44,727 and $38,878 for the years ended December 31, 2025, and 2024, respectively.

ASU No. 2016-2 (Topic 842) new lease standards are not applicable.

NOTE 12: CONTINGENCIES

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of the funds to the grantors. Although that is a possibility, management deems the contingency remote since, by accepting the gift and its terms, it is acknowledging the requirements of the grantor at the time of receipt.

NOTE 13: RETIREMENT PLAN

The Organization maintains a defined contribution plan (Plan) covering all eligible employees. The Plan consists of two main components: (a) employee deferred contributions and (b) the Organization's matching of 100% of the first 3% of the employee's electively deferred compensation and 50% on the next 2% of deferred compensation. The Organization also has the option to make additional non-elective contributions to the Plan in the form of profit-sharing. The Plan is open to employees aged 21 years or older and has no minimum service requirement for participation. Employer matching contributions are subject to 100% immediate vesting. The Organization's matching contributions amounted to $56,055 for the year ended December 31, 2025, and $59,903 for the year ended December 31, 2024.

NOTE 14: RELATED PARTY TRANSACTIONS

In accordance with ASC 850, there were no related party transactions for the years ended December 31, 2025, and 2024, respectively.

NOTE 15: RECENT ACCOUNTING PRONOUNCEMENTS

Leases

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statement of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration.

The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is to be applied using the modified retrospective approach and is effective for not-for-profit organizations with year-ends s beginning after December 15, 2023, with early adoption permitted. The Organization is currently evaluating the impact that the adoption of ASU No. 2016-02 will have on its financial statements.

Gifts-in-Kind

In September 2020, FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires increased transparency around the use and valuation of contributed nonfinancial assets (also known as gifts-in-kind) received by not-for-profit entities. Under the updated guidance, gifts-in-kind are required to be presented as a separate line item in the statement of activities, apart from contributions of cash or other financial assets, and to be disaggregated in the notes to the financial statements by the category that depicts the type of contributed nonfinancial assets.

There are additional required disclosures regarding qualitative information denoting whether the gifts-in-kind were monetized or utilized during the reporting period; the entity's policy, if any, about monetizing rather than utilizing contributed nonfinancial assets; and the valuation techniques and inputs used to arrive at a fair value measure. ASU No. 2020-07 is to be applied retrospectively and is effective for annual reporting periods beginning after June 15, 2022, and interim periods within annual reporting periods beginning after June 15, 2023. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of ASU 2020-07 will have on its financial statements.

NOTE 15: SUBSEQUENT EVENTS

Management evaluated all activities of The Children's Partnership through June 2, 2026 which is the date the financial statements were available to be issued, and concluded that no material subsequent events have occurred that would require adjustment to the financial statements or disclosure in the notes to the financial statements.