CHILD DAY CARE ASSOCIATION OF ST. LOUIS
D/B/A UNITED 4 CHILDREN
(A NONPROFIT ORGANIZATION)

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

Child Day Care Association of St. Louis
d/b/a United 4 Children

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SCHMERSAHL TRELOAR & CO.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Child Day Care Association of St. Louis
d/b/a United 4 Children

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Child Day Care Association of St. Louis d/b/a United 4 Children (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United 4 Children as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of United 4 Children and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about United 4 Children's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 United 4 Children'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 United 4 Children'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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2025, on our consideration of United 4 Children's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of United 4 Children'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 United 4 Children's internal control over financial reporting and compliance.

Schmersahl Treloar & Co

Saint Louis, Missouri
September 24, 2025

FINANCIAL STATEMENTS

Child Day Care Association of St. Louis
d/b/a United 4 Children
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31, 2024	December 31, 2023
CURRENT ASSETS		
Cash and cash equivalents	$ 589,421	$ 401,356
Grants receivable	1,258,118	1,507,165
United Way receivable	112,165	124,628
Prepaid expenses and deposits	35,164	34,902
Total Current Assets	1,994,868	2,068,051
FURNITURE AND EQUIPMENT, NET	150,211	92,584
OPERATING LEASE RIGHT-OF-USE ASSET	223,272	295,710
FINANCE LEASE RIGHT-OF-USE ASSET	47,919	62,736
Total Assets	$ 2,416,270	$ 2,519,081

LIABILITIES AND NET ASSETS

	2024	2023
CURRENT LIABILITIES		
Due to child care providers	$ 143,104	$ 163,583
Accounts payable	127,589	230,508
Accrued liabilities	143,461	328,795
Line of credit	500,000	350,000
Deferred revenue	650	9,863
Current portion of finance lease liabilities	15,102	14,951
Current portion of operating lease liabilities	75,856	71,563
Total Current Liabilities	1,005,762	1,169,263
FINANCE LEASE LIABILITIES	33,243	48,344
OPERATING LEASE LIABILITIES	158,268	234,124
Total Liabilities	1,197,273	1,451,731
NET ASSETS		
Without donor restrictions	1,101,609	867,722
With donor restrictions	117,388	199,628
Total Net Assets	1,218,997	1,067,350
Total Liabilities and Net Assets	$ 2,416,270	$ 2,519,081

Child Day Care Association of St. Louis
d/b/a United 4 Children
STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Agency fees:						
Amounts received or receivable	$ 2,382,976	$ -	$ 2,382,976	$ 2,588,133	$ -	$ 2,588,133
Less: amounts remitted or payable to others	(2,082,159)	-	(2,082,159)	(2,286,247)	-	(2,286,247)
Net Agency Fees	300,817	-	300,817	301,886	-	301,886
Grants	5,840,194	5,223	5,845,417	3,732,588	75,000	3,807,588
Contributions	54,119	-	54,119	50,004	-	50,004
United Way annual allocation	-	112,165	112,165	2,160	124,628	126,788
Fundraising events	65,135	-	65,135	87,830	-	87,830
Less: cost of direct benefit to donors	(18,568)	-	(18,568)	(21,526)	-	(21,526)
Miscellaneous income	27,636	-	27,636	18,924	-	18,924
Net assets released from restrictions:						
Satisfaction of time restrictions	199,628	(199,628)	-	142,655	(142,655)	-
Total Support and Revenue	6,468,961	(82,240)	6,386,721	4,314,521	56,973	4,371,494
EXPENSES						
Program Services	5,177,396	-	5,177,396	3,088,601	-	3,088,601
Supporting Services:						
Management and general	642,224	-	642,224	687,407	-	687,407
Fundraising	415,454	-	415,454	292,354	-	292,354
Total Expenses	6,235,074	-	6,235,074	4,068,362	-	4,068,362
CHANGE IN NET ASSETS	233,887	(82,240)	151,647	246,159	56,973	303,132
NET ASSETS, Beginning of year	867,722	199,628	1,067,350	621,563	142,655	764,218
NET ASSETS, End of year	$ 1,101,609	$ 117,388	$ 1,218,997	$ 867,722	$ 199,628	$ 1,067,350

See accompanying notes to financial statements

Child Day Care Association of St. Louis
d/b/a United 4 Children
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended December 31, 2024

	Program Services				Supporting Services			
	Child Nutrition Services	Inclusion Services	Quality Improvement Services	Total Program Services	Management and General	Fund-Raising	Cost of Direct Benefits to Donors	Total
EXPENSES								
Salaries	$ 217,393	$ 266,568	$ 2,755,328	$ 3,239,289	$ 364,373	$ 255,786	$ -	$ 3,859,448
Employee benefits	27,897	33,853	330,532	392,282	41,853	28,636	-	462,771
Payroll taxes	18,961	32,301	231,428	282,690	31,775	22,028	-	336,493
Professional stipends	-	9,862	478,131	487,993	-	-	-	487,993
Travel and conference	16,970	47,800	221,334	286,104	4,324	1,200	-	291,628
Professional fees	3,724	27,069	48,521	79,314	110,470	89,664	-	279,448
Software and technology	6,873	4,259	147,970	159,102	15,485	6,656	-	181,243
Occupancy	4,926	6,373	61,922	73,221	8,525	5,684	-	87,430
Supplies	9,062	7,387	46,197	62,646	1,609	845	-	65,100
Depreciation and amortization	4,045	2,536	44,496	51,077	7,299	789	-	59,165
Interest expense	-	-	-	-	40,125	-	-	40,125
Printing and postage	11,058	1,162	11,727	23,947	119	468	-	24,534
Miscellaneous	668	65	5,860	6,593	12,664	2,940	-	22,197
Assistance to individuals	-	18,924	2,104	21,028	-	-	-	21,028
Special events - fundraising	-	-	-	-	-	-	18,568	18,568
Office equipment	690	843	10,577	12,110	3,603	758	-	16,471
	322,267	459,002	4,396,127	5,177,396	642,224	415,454	18,568	6,253,642
Less expenses included with support on the statement of activities	-	-	-	-	-	-	(18,568)	(18,568)
Total Expenses	$ 322,267	$ 459,002	$ 4,396,127	$ 5,177,396	$ 642,224	$ 415,454	$ -	$ 6,235,074

See accompanying notes to financial statements

Child Day Care Association of St. Louis
d/b/a United 4 Children
STATEMENTS OF FUNCTIONAL EXPENSES
Year Ended December 31, 2023

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	Program Services				Supporting Services			
	Child Nutrition Services	Inclusion Services	Quality Improvement Services	Total Program Services	Management and General	Fund-Raising	Cost of Direct Benefits to Donors	Total
EXPENSES								
Salaries	$ 220,811	$ 369,262	$ 1,433,036	$ 2,023,109	$ 309,087	$ 154,419	$ -	$ 2,486,615
Employee benefits	27,990	45,701	177,320	251,011	36,730	18,575	-	306,316
Payroll taxes	19,573	32,731	127,024	179,328	27,397	13,688	-	220,413
Professional stipends	-	-	127,170	127,170	-	-	-	127,170
Travel and conference	10,255	30,910	80,906	122,071	2,888	1,261	-	126,220
Professional fees	1,385	7,684	11,728	20,797	251,962	82,797	-	355,556
Software and technology	1,935	6,498	59,816	68,249	19,098	7,396	-	94,743
Occupancy	12,827	7,692	41,983	62,502	24,031	5,875	-	92,408
Supplies	1,882	2,197	27,369	31,448	951	661	-	33,060
Depreciation and amortization	2,944	4,924	19,117	26,985	4,126	2,059	-	33,170
Interest expense	-	-	-	-	9,165	-	-	9,165
Printing and postage	9,879	152	2,822	12,853	30	4,136	-	17,019
Miscellaneous	1,385	2,317	8,994	12,696	1,942	968	-	15,606
Assistance to individuals	-	-	144,584	144,584	-	-	-	144,584
Special events - fundraising	-	-	-	-	-	-	21,526	21,526
Office equipment	574	1,028	4,196	5,798	-	519	-	6,317
	311,440	511,096	2,266,065	3,088,601	687,407	292,354	21,526	4,089,888
Less expenses included with support on the statement of activities	-	-	-	-	-	-	(21,526)	(21,526)
Total Expenses	$ 311,440	$ 511,096	$ 2,266,065	$ 3,088,601	$ 687,407	$ 292,354	$ -	$ 4,068,362

See accompanying notes to financial statements

Child Day Care Association of St. Louis
d/b/a United 4 Children
STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 151,647	$ 303,132
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation and amortization	59,165	33,170
Reduction in carrying amount of operating lease right-of-use	72,438	59,368
(Increase) decrease in assets:		
Grants receivable	249,047	(914,432)
United Way receivable	12,463	4,527
Prepaid expenses and deposits	(262)	(18,898)
Increase (decrease) in liabilities:		
Due to child care providers	(20,479)	(14,636)
Accounts payable	(102,919)	131,393
Accrued liabilities	(185,334)	192,834
Deferred revenue	(9,213)	(46,367)
Operating lease liabilities	(71,563)	(55,850)
Net Change in Cash and Cash Equivalents from Operating Activities	154,990	(325,759)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(101,975)	(102,649)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	700,000	350,000
Payments on line of credit	(550,000)	-
Payments on financing obligations	(14,950)	(14,804)
Net Change in Cash and Cash Equivalents from Financing Activities	135,050	335,196
NET CHANGE IN CASH AND CASH EQUIVALENTS	188,065	(93,212)
CASH AND CASH EQUIVALENTS, Beginning of year	401,356	494,568
CASH AND CASH EQUIVALENTS, End of year	$ 589,421	$ 401,356

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Child Day Care Association of St. Louis d/b/a United 4 Children is a nonprofit organization formed in 1969. United 4 Children's mission is to improve quality and accessibility to services for children and youth by empowering and inspiring families, professionals, and the community. United 4 Children is involved in a wide range of activities related to childcare and after school programming, including supporting providers through training, technical assistance, consultation, and assessment; supporting child nutrition programs throughout the bi-state area; supporting families through its resource and referral service, disabilities inclusion programs, and consultation; and various other programs.

Basis of Presentation

The financial statements of United 4 Children 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). United 4 Children is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets without Donor Restrictions

Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net Assets with Donor Restrictions

Net assets 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 such assets be maintained in perpetuity. 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.

Use of Estimates

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial Instruments

The carrying amount of cash, receivables, prepaid expenses, deposits, due to childcare providers, accounts payable, accrued liabilities, line of credit, and deferred revenue, and operating and financing lease liabilities reported in the statements of financial position approximates fair value due to the short-term maturities of these instruments. In addition, the Organization believes the carrying amount of long-term obligations approximates fair value due to the relative similarity of the effective interest rates as compared to the current market rate.

Cash and Cash Equivalents

United 4 Children considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. United 4 Children maintains cash deposits and other investment accounts which at times may exceed the federally insured limits of up to $250,000 for each account. United 4 Children has not experienced and does not anticipate any losses in such accounts.

Grants Receivable

Grants receivable are stated at the amount management expects to collect from balances outstanding at year-end. Grants receivable are recognized as revenue in the period earned. The organization considers grants receivable at December 31, 2024 and 2023, to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Furniture and Equipment

Furniture and equipment are stated at cost. Depreciation is computed on a straight-line basis over the assets' estimated useful lives ranging from three to ten years. Expenditures for repairs and maintenance are charged to operations while renewals and betterments are capitalized. Donations of furniture and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restriction unless the donor has restricted the donated asset to a specific purpose.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in the right-of-use (ROU) assets and lease liabilities on the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. Variable lease costs are not included in the calculation. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as rent expense on a straight-line basis over the lease term.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Deferred Revenue

United 4 Children is the recipient of several cost reimbursement grants. Revenue is recognized as the specified costs described in the grant are incurred. Amounts collected in advance of incurring specified costs are reflected as deferred revenue.

Revenue Recognition - Contributions

United 4 Children recognizes 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 met.

<u>Grants</u>
A portion of United 4 Children's revenue is derived from cost-reimbursable contracts and federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when United 4 Children has incurred expenditures in compliance with specific contract or grant provisions.

<u>Contributions</u>
Contributions are recognized when a donor makes a promise to give to United 4 Children that is, in substance, unconditional. Restricted contributions received and expended in the same fiscal year are reported as increases in net assets without donor restrictions. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as support with donor restrictions that increases net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restriction.

Revenue Recognition – Contracts with Customers

<u>Fundraising Event Revenue</u>
The portion of ticket sales and sponsorship revenue that relates to the commensurate value the attendee receives in return is recognized when the related events are held and performance obligations are met.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Functional Expense Allocation

The Statements of Functional Expenses report certain categories of expenses that are attributable to one or more program or supporting functions of United 4 Children. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated on the basis of time and effort include: salaries, employee benefits, payroll taxes, miscellaneous expenses and certain occupancy, supplies, office equipment, telephone, and insurance expenses.

Income Taxes

United 4 Children qualifies as a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. United 4 Children does not have unrelated business income, excise taxes, or activities that would threaten United 4 Children's tax-exempt status. Accordingly, no provision for federal or state income taxes is provided. United 4 Children files an information return, IRS Form 990. United 4 Children's tax returns for tax years 2021 and later remain subject to examination by taxing authorities, generally for three years after they are filed. United 4 Children adopted the provisions relating to Accounting for Uncertainty in Income Taxes and management is not aware of any uncertain tax positions of United 4 Children related to the tax filings.

Reclassification

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported change in net assets.

Subsequent Events

In preparing these financial statements, United 4 Children has evaluated subsequent events and transactions for potential disclosure through September 24, 2025, the date the financial statements were available to be issued.

B. AGREEMENTS AND CONTRACTS

United Way of Greater St. Louis Allocation

United 4 Children receives a monetary allocation from the United Way of Greater St. Louis to support the organization in improving the quality and accessibility of services to children and youth by empowering and inspiring families, professionals, and the community.

B. **AGREEMENTS AND CONTRACTS** *(Continued)*

Community Impact Network – Programs Achieving Quality (PAQ)

United 4 Children receives contract payments to implement Programs Achieving Quality in the Normandy area, which provides training and on-site coaching to promote program quality improvement and staff professional development in early childcare settings.

Department of Elementary and Secondary Education (DESE)

United 4 Children receives contract payments to implement Child Care Inclusion Referral and Training for early childhood programs. Inclusion specialists work with teachers and parents to address a spectrum of special needs, develop best practices for inclusive care, and conduct trainings, improving the quality and availability of inclusive care throughout the state of Missouri.

United 4 Children receives contract payments from DESE to implement the Early Care and Education Resource and Referral Network. Early Care and Education Resource and Referral (ECERR) brings together childcare referral and early care and education (ECE) resources, including home visiting, early intervention, and childcare. ECERR helps families learn about and access the resources and services they need to ensure that their children are safe, healthy, and successful learners. United 4 Children manages a statewide call center and self-search websites to help families understand and identify the ECE options and resources that best fit their needs; partners with Missouri childhood community leaders in the seven (7) DESE regions to increase awareness of early childhood programs and services and local resources; works with Missouri childhood community leaders to collect, document, and update resources on the coordinated resource website, Missouri Family Resources; provides data on the supply of and demand for child care services to the Office of Childhood each quarter; and creates child care consumer education packets and materials that can be shared with families by mail or electronically.

Child and Adult Care Food Program

United 4 Children is a sponsoring agency, through contracts with the Missouri Department of Health and Senior Services for the Child and Adult Care Food Program of the United States Department of Agriculture ("USDA"). This program encourages good nutrition by educating home day care providers and reimbursing them for meals served to children in their care. United 4 Children is reimbursed for its program management and administrative expenses by the USDA.

Area Resources for Human Services (ARCHS)

United 4 Children receives contract payments from ARCHS to implement the direct service for three different grants: Home Based Child Care Collaborative Network, Infant Toddler Specialist Network, and Preschool Child Care Collaborative. Each individual grant supports quality improvement and capacity building for childcare providers serving children ranging from infants to school age. To support the growth of these programs we provide professional development, coaching, evaluation, and materials to support health, safety, and child development.

B. AGREEMENTS AND CONTRACTS *(Continued)*

Other Programs

United 4 Children has contracts with various other organizations and entities for quality improvement services consisting of Program Assessment, Technical Assistance, Coaching/Consultation, Financial Assistance, Networking and Training for childcare programs, caregivers, and service providers that support children and youth. Funders include St. Louis Port Authority, Elevance Health, Stupp Foundation, Orthwein Foundation, St. Charles County Community and Children's Resource Board.

Agent Activity

In connection with its Child and Adult Care Food Program Contracts, United 4 Children serves as an agent in disbursing funds to various day care providers and retains an administrative fee for processing these funds. Amounts related to receiving and processing these transactions were as follows:

	December 31, 2024	December 31, 2023
Amounts received and receivable from:		
U.S. Department of Agriculture		
Passed through Missouri	$2,382,976	$2,588,133
Amounts remitted to or payable to others from:		
U.S. Department of Agriculture		
Passed through Missouri	2,082,159	2,286,247
Net Agency Fees	$ 300,817	$ 301,886

C. GRANTS RECEIVABLE

Grants receivable consists of the following:

	December 31, 2024	December 31, 2023
ARCHS	$ 840,446	$ 644,551
DESE	240,667	528,260
Child and Adult Care Food Program	169,253	186,633
PAQ	-	78,297
Other programs	7,752	69,424
Total Grants Receivable	$1,258,118	$1,507,165

D. FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following:

	December 31, 2024	December 31, 2023
Office furniture and equipment	$164,142	$137,250
Software development	83,000	7,917
Leasehold improvements	18,536	18,536
	265,678	163,703
Less accumulated depreciation	(115,467)	(71,119)
Total Furniture and Equipment, Net	$150,211	$ 92,584

Depreciation expense was $44,348 and $18,501 for the years ended December 31, 2024 and 2023, respectively.

E. LINE OF CREDIT

United 4 Children had an available line of credit with a local bank in the amount of $500,000, which is collateralized by various assets of the Organization. The agreement expired August 28, 2024, and was renewed under the same terms until February 28, 2025. The line has a variable interest rate at the bank's prime index of 7.50% at December 31, 2024. Subsequent to year end, the line was renewed with the principal amount increased to $800,000. The line expires February 16, 2026. As of December 31, 2024 and 2023, the line of credit had outstanding balances of $500,000 and $350,000, respectively.

F. NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are available for the following purposes or periods:

	December 31, 2024	December 31, 2023
Subsequent year United Way allocation	$112,165	$124,628
Program restrictions	5,223	75,000
Total Net Assets with Donor Restrictions	$117,388	$199,628

G. NET ASSETS RELEASED FROM DONOR RESTRICTION

Net assets were released from donor restrictions by occurrence of the passage of time as follows:

	December 31, 2024	December 31, 2023
Passage of time	$124,628	$129,155
Program restrictions	75,000	13,500
Total Net Assets released from Donor Restrictions	$199,628	$142,655

H. FINANCE LEASES

The Organization has a finance lease for copiers. The lease has a remaining lease term of approximately 3.17 years and 4.17 years, and a discount rate of 1%, at December 31, 2024 and 2023, respectively.

The following summarizes the line items in the statements of financial position for the finance lease as of December 31:

	2024	2023
Finance lease right-of-use assets	$47,919	$62,736
Current portion of finance lease liabilities	15,102	14,951
Finance lease liabilities	33,243	48,344
Total finance lease liabilities	$48,345	$63,295

The maturities of finance lease liabilities as of December 31, 2024 are as follows:

Years Ending December 31,	
2025	$15,516
2026	15,516
2027	15,516
2028	2,586
Total lease payments	$49,134
Less: interest	789
Present value of lease liabilities	$48,345

H. FINANCE LEASES *(Continued)*

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31:

	2024	2023
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization expense	$14,817	$14,669
Interest on lease liabilities included in interest expense	565	713
Total finance lease costs	$15,382	$15,382

The following summarizes cash flow information related to finance leases for the year ended December 31:

	2024	2023
Operating cash flows from finance lease	$ 565	$ 713
Financing cash flows from finance lease	14,950	14,804

I. OPERATING LEASES

The organization leases office space under an operating lease agreement expiring in November 2027. The lease has a remaining lease term of approximately 2.92 years and 3.92 years, and a discount rate of 2.75%, at December 31, 2024 and 2023, respectively.

The following summarizes the line items in the statements of financial position for the operating lease as of December 31:

	2024	2023
Operating lease right-of-use assets	$223,272	$295,710
Current portion of operating lease liabilities	75,856	71,563
Operating lease liabilities	158,268	234,124
Total operating lease liabilities	$234,124	$305,687

The maturities of operating lease liabilities as of December 31, 2024 are as follows:

Years Ending December 31,	
2025	$ 81,343
2026	83,696
2027	78,992
Total lease payments	244,031
Less: interest	9,907
Present value of lease liabilities	$234,124

I. OPERATING LEASES *(Continued)*

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31:

	2024	2023
Operating lease expense included in occupancy expense	$79,947	$79,947

The following summarizes cash flow information related to leases for the year ended December 31:

	2024	2023
Operating cash flows from operating lease	$79,072	$76,632

J. EMPLOYEE RETIREMENT PLAN

United 4 Children employees aged 21 and older are eligible to make voluntary salary reduction contributions into a 401(k) plan administered by the organization. Beginning in 2017, all employees aged 21 or older with at least one year of service (minimum of 1,000 hours worked) were additionally entitled to employer contributions equal to 3% of their base salaries. Employees are always 100% vested in their own salary contributions. Employees become vested in employer contributions as follows: 20% after two years of service, 50% after three years of service, 60% after four years of service, and fully vested after five years of service. Contributions, net of forfeitures, to the plan were $98,295 and $38,359 for 2024 and 2023, respectively.

K. CONCENTRATIONS OF SUPPORT AND REVENUE

United 4 Children received approximately 83% and 48% of its revenue from the ARCHS and ECERR grants during the years ended December 31, 2024 and 2023, respectively. Funding from these two sources ended in May of 2025.

L. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

United 4 Children regularly monitors liquidity required to meet its operating needs and other contractual commitments. United 4 Children receives government grants, and contributions with and without donor restriction, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. United 4 Children has a goal to maintain financial assets consisting of cash on hand to meet 90 days of ordinary business expenses. Operating expenses are compared to budgeted expenses on a monthly basis and financial assets on hand are adjusted as necessary. As part of its liquidity management, United 4 Children invests cash in excess of daily requirements in a REPO Sweep account.

L. **LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS** *(Continued)*

United 4 Children's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2024	2023
Cash and cash equivalents	$ 589,421	$ 401,356
Grants receivable: less amount due to childcare providers	1,115,014	1,320,532
United Way receivable	112,165	124,628
Financial assets available to meet cash needs for general expenditures within one year	$1,816,600	$1,846,516

As more fully described in Note E, United 4 Children also has a committed line of credit in the amount of $500,000, which it could draw upon in the event of an unanticipated liquidity need.

CHILD DAY CARE ASSOCIATION OF ST. LOUIS
D/B/A UNITED 4 CHILDREN

SINGLE AUDIT AND THE
UNIFORM GUIDANCE REPORTS
DECEMBER 31, 2024

Child Day Care Association of St. Louis
d/b/a United 4 Children

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SCHMERSAHL TRELOAR & CO.
Certified Public Accountants

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

To the Board of Directors of
Child Day Care Association of St. Louis
d/b/a United 4 Children

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of Child Day Care Association of St. Louis d/b/a United 4 Children (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, 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 September 24, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered United 4 Children'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 United 4 Children's internal control. Accordingly, we do not express an opinion on the effectiveness of United 4 Children'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 United 4 Children'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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schmersahl Treloar & Co

St. Louis, Missouri
September 24, 2025

SCHMERSAHL TRELOAR & CO.
Certified Public Accountants

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

To the Board of Directors
Child Day Care Association of St. Louis
d/b/a United 4 Children

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited United 4 Children'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 United 4 Children's major federal programs for the year ended December 31, 2024. United 4 Children's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, United 4 Children 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 December 31, 2024.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of United 4 Children 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 United 4 Children'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 United 4 Children's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on United 4 Children'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 United 4 Children'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 United 4 Children'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 United 4 Children'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 United 4 Children's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of United 4 Children as of and for the year ended December 31, 2024, and have issued our report thereon dated September 24, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Schmersahl Treloar & Co

St. Louis, Missouri
September 24, 2025

Child Day Care Association of St. Louis
d/b/a United 4 Children
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2024

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Agency or Pass-Through Number	Federal Expenditures	
U.S. Department of Agriculture				
Passed through Missouri Department of Health and Senior Services				
Child and Adult Day Care Food Program	10.558	ERS46110041	$ 2,382,976	*
U.S. Department of Health and Human Services				
Passed through Missouri Department of Elementary and Secondary Education				
Maternal and Child Health Services Block Grant to the States	93.994	C313040001	372,109	
U.S. Department of Treasury				
Passed through Community and Children's Resource Board				
St. Charles County, Missouri Coronaviris Relief Fund	21.027		400	
Total Expenditures of Federal Awards			$ 2,755,485	

* Major Program

See accompanying notes to schedule of expenditures of federal awards

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards, for the year ended December 31, 2024, includes the federal award activity of Child Day Care Association of St. Louis d/b/a United 4 Children. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of United 4 Children, it is not intended to and does not present the financial position, changes in net position, or cash flows of United 4 Children.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

C. OTHER UNIFORM GUIDANCE INFORMATION

For the year ended December 31, 2024, United 4 Children had no expenditures in the form of noncash assistance, no sub-recipients, no federally provided insurance in effect, and no loans or loan guarantees outstanding. The Organization elected to use the 10% de minimis indirect cost rate under the Maternal and Child Health Services Block Grant to the States.

Child Day Care Association of St. Louis
d/b/a United 4 Children
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2024

Section 1 – Summary of Auditors' Results

Financial Statements:

Type of auditors' report issued: unmodified

Internal control over financial reporting:

Material weakness(es) identified?	____ Yes	x No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	x None reported
Noncompliance material to financial statements notes?	____ Yes	x No

Federal Awards:

Internal control over major federal program:

Material weakness(es) identified?	____ Yes	x No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	____ Yes	x None reported
Type of auditors' report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	x No
Identification of major federal program:		
Assistance Listing Number(s)	Name of federal program or cluster	
10.558	Child and Adult Care Food Program	
Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as a low-risk auditee?	x Yes	____ No

Section 2 – Financial Statement Findings

Financial Statement Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Summary Schedule of Current Audit Findings:
None

Summary Schedule of Prior Audit Findings:
None

Section 3 – Federal Award Findings and Questioned Costs

Federal Award Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

Summary Schedule of Current Audit Finding:
None

Summary Schedule of Prior Audit Findings:
None

Child Day Care Association of St. Louis
d/b/a United 4 Children
CORRECTIVE ACTION PLAN
Year Ended December 31, 2024

Current Finding Number	Comment	Corrective Action Plan	Anticipated Date of Completion
None reported			