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, 2025 AND 2024

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

CONTENTS

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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United 4 Children as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 June 25, 2026, 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.

St. Louis, Missouri
June 25, 2026

FINANCIAL STATEMENTS

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

ASSETS

	December 31, 2025	December 31, 2024
CURRENT ASSETS		
Cash and cash equivalents	$ 867,518	$ 589,421
Grants receivable	425,989	1,258,118
United Way receivable	111,227	112,165
Prepaid expenses and deposits	19,849	35,164
Total Current Assets	1,424,583	1,994,868
FURNITURE AND EQUIPMENT, NET	110,215	150,211
OPERATING LEASE RIGHT-OF-USE ASSET	148,812	223,272
FINANCE LEASE RIGHT-OF-USE ASSET	32,952	47,919
Total Assets	$ 1,716,562	$ 2,416,270

LIABILITIES AND NET ASSETS

	2025	2024
CURRENT LIABILITIES		
Due to child care providers	$ 180,975	$ 143,104
Accounts payable	10,076	127,589
Accrued liabilities	42,148	143,461
Line of credit	-	500,000
Deferred revenue	65,483	650
Current portion of finance lease liabilities	15,253	15,102
Current portion of operating lease liabilities	80,352	75,856
Total Current Liabilities	394,287	1,005,762
FINANCE LEASE LIABILITIES	17,989	33,243
OPERATING LEASE LIABILITIES	77,917	158,268
Total Liabilities	490,193	1,197,273
NET ASSETS		
Without donor restrictions	1,047,258	1,101,609
With donor restrictions	179,111	117,388
Total Net Assets	1,226,369	1,218,997
Total Liabilities and Net Assets	$ 1,716,562	$ 2,416,270

See accompanying notes to financial statements

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

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Agency fees:						
Amounts received or receivable	$ 2,498,367	$ -	$ 2,498,367	$ 2,382,976	$ -	$ 2,382,976
Less: amounts remitted or payable to others	(2,167,821)	-	(2,167,821)	(2,082,159)	-	(2,082,159)
Net Agency Fees	330,546	-	330,546	300,817	-	300,817
Grants	3,375,840	-	3,375,840	5,841,044	5,223	5,846,267
Contributions	144,800	67,884	212,684	54,119	-	54,119
United Way annual allocation	-	111,227	111,227	-	112,165	112,165
Fundraising events	13,864	-	13,864	65,135	-	65,135
Less: cost of direct benefit to donors	(7,394)	-	(7,394)	(18,568)	-	(18,568)
Miscellaneous income	19,736	-	19,736	26,786	-	26,786
Loss on disposal of property and equipment	(9,865)	-	(9,865)	-	-	-
Net assets released from restrictions:						
Satisfaction of time restrictions	117,388	(117,388)	-	199,628	(199,628)	-
Total Support and Revenue	3,984,915	61,723	4,046,638	6,468,961	(82,240)	6,386,721
EXPENSES						
Program Services	3,153,029	-	3,153,029	5,177,396	-	5,177,396
Supporting Services:						
Management and general	515,357	-	515,357	642,224	-	642,224
Fundraising	370,880	-	370,880	415,454	-	415,454
Total Expenses	4,039,266	-	4,039,266	6,235,074	-	6,235,074
CHANGE IN NET ASSETS	(54,351)	61,723	7,372	233,887	(82,240)	151,647
NET ASSETS, Beginning of year	1,101,609	117,388	1,218,997	867,722	199,628	1,067,350
NET ASSETS, End of year	$ 1,047,258	$ 179,111	$ 1,226,369	$ 1,101,609	$ 117,388	$ 1,218,997

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, 2025

	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	$ 236,734	$ 194,917	$ 1,660,203	$ 2,091,854	$ 280,156	$ 222,085	$ -	$ 2,594,095
Employee benefits	33,040	24,886	204,312	262,238	33,818	29,330	-	325,386
Payroll taxes	20,297	18,044	158,460	196,801	24,459	19,870	-	241,130
Professional stipends	724	9,803	196,223	206,750	-	2,652	-	209,402
Professional fees	4,417	4,428	31,814	40,659	97,979	64,730	-	203,368
Software and technology	11,012	5,129	53,509	69,650	20,187	13,327	-	103,164
Training, conferences and travel	23,384	24,650	49,428	97,462	2,459	1,502	-	101,423
Occupancy	8,737	6,101	49,480	64,318	8,726	7,320	-	80,364
Depreciation and amortization	8,122	4,427	42,058	54,607	8,279	6,483	-	69,369
Supplies	2,646	7,778	20,172	30,596	931	649	-	32,176
Miscellaneous	692	504	3,514	4,710	24,071	1,350	-	30,131
Assistance to individuals	-	-	16,250	16,250	-	-	-	16,250
Interest expense	-	-	-	-	13,679	-	-	13,679
Printing and postage	8,927	372	1,620	10,919	155	1,213	-	12,287
Special events - fundraising	-	-	-	-	-	-	7,394	7,394
Office equipment	414	308	5,493	6,215	458	369	-	7,042
	359,146	301,347	2,492,536	3,153,029	515,357	370,880	7,394	4,046,660
Less expenses included with support on the statement of activities	-	-	-	-	-	-	(7,394)	(7,394)
Total Expenses	$ 359,146	$ 301,347	$ 2,492,536	$ 3,153,029	$ 515,357	$ 370,880	$ -	$ 4,039,266

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
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
Training, conferences and travel	16,970	47,800	221,334	286,104	4,324	1,200	-	291,628
Occupancy	4,926	6,373	61,922	73,221	8,525	5,684	-	87,430
Depreciation and amortization	4,045	2,536	44,496	51,077	7,299	789	-	59,165
Supplies	9,062	7,387	46,197	62,646	1,609	845	-	65,100
Miscellaneous	668	65	5,860	6,593	12,664	2,940	-	22,197
Assistance to individuals	-	18,924	2,104	21,028	-	-	-	21,028
Interest expense	-	-	-	-	40,125	-	-	40,125
Printing and postage	11,058	1,162	11,727	23,947	119	468	-	24,534
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 CASH FLOWS

	Year Ended December 31, 2025	Year Ended December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 7,372	$ 151,647
Adjustments to reconcile change in net assets to net change in cash from operating activities:		
Depreciation and amortization	69,369	59,165
Loss on disposal of property and equipment	9,865	-
Reduction in carrying amount of operating lease right-of-use	74,460	72,438
(Increase) decrease in assets:		
Grants receivable	832,129	249,047
United Way receivable	938	12,463
Prepaid expenses and deposits	15,315	(262)
Increase (decrease) in liabilities:		
Due to child care providers	37,871	(20,479)
Accounts payable	(117,513)	(102,919)
Accrued liabilities	(101,313)	(185,334)
Deferred revenue	64,833	(9,213)
Operating lease liabilities	(75,855)	(71,563)
Net Change in Cash and Cash Equivalents from Operating Activities	817,471	154,990
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(24,271)	(101,975)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	-	700,000
Payments on line of credit	(500,000)	(550,000)
Payments on financing obligations	(15,103)	(14,950)
Net Change in Cash and Cash Equivalents from Financing Activities	(515,103)	135,050
NET CHANGE IN CASH AND CASH EQUIVALENTS	278,097	188,065
CASH AND CASH EQUIVALENTS, Beginning of year	589,421	401,356
CASH AND CASH EQUIVALENTS, End of year	$ 867,518	$ 589,421

See accompanying notes to financial statements

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 and cash equivalents, grants receivable, United Way receivable, prepaid expenses and deposits, due to childcare providers, accounts payable, accrued liabilities, line of credit, 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, 2025 and 2024, 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.

Grants
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.

Contributions
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

Fundraising Event Revenue
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, printing and postage, 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 2022 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.

Subsequent Events

In preparing these financial statements, United 4 Children has evaluated subsequent events and transactions for potential disclosure through June 25, 2026, 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.

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. This funding ended in fiscal year 2026.

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

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. This funding ended in fiscal year 2025.

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. This funding ended in fiscal year 2025.

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. This funding ended in fiscal year 2025.

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, Mental Health Board, and Stupp Foundation.

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,	
	2025	2024
Amounts received and receivable from:		
U.S. Department of Agriculture		
Passed through Missouri	$2,498,367	$2,382,976
Amounts remitted to or payable to others from:		
U.S. Department of Agriculture		
Passed through Missouri	2,167,821	2,082,159
Net Agency Fees	$ 330,546	$ 300,817

C. GRANTS RECEIVABLE

Grants receivable consists of the following:

	December 31,	
	2025	2024
Child and Adult Care Food Program	$205,215	$ 169,253
St. Louis Port Authority	99,134	-
PAQ	61,920	-
Anthem Healthy Blue MO	25,000	-
DESE	20,522	240,667
Other programs	14,198	7,752
ARCHS	-	840,446
Total Grants Receivable	$425,989	$1,258,118

D. FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following:

	December 31, 2025	December 31, 2024
Office furniture and equipment	$120,662	$164,142
Software development	104,000	83,000
Leasehold improvements	18,536	18,536
	243,198	265,678
Less accumulated depreciation	(132,983)	(115,467)
Total Furniture and Equipment, Net	$110,215	$150,211

Depreciation expense was $54,402 and $44,348 for the years ended December 31, 2025 and 2024, respectively.

E. LINE OF CREDIT

United 4 Children had an available line of credit with a local bank in the amount of $800,000, which is collateralized by various assets of the Organization. The agreement expired February 16, 2026. The line has a variable interest rate at the bank's prime index of 6.75% at December 31, 2025. Subsequent to year end, the line of credit was renewed with a principal amount of $500,000. The renewed agreement became effective February 16, 2026, and expires February 15, 2027. As of December 31, 2024, the line of credit had an outstanding balance of $500,000. As of December 31, 2025, the line of credit had no outstanding balance.

F. NET ASSETS WITH DONOR RESTRICTION

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

	December 31, 2025	December 31, 2024
Subsequent year United Way allocation	$111,227	$112,165
Program restrictions	67,884	5,223
Total Net Assets with Donor Restrictions	$179,111	$117,388

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,	
	2025	2024
Passage of time	$112,165	$124,628
Program restrictions	5,223	75,000
Total Net Assets released from Donor Restrictions	$117,388	$199,628

H. FINANCE LEASES

The Organization has a finance lease for copiers. The lease has a remaining lease term of approximately 2.17 years and 3.17 years, and a discount rate of 1%, at December 31, 2025 and 2024, respectively.

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

	2025	2024
Finance lease right-of-use assets	$32,952	$47,919
Current portion of finance lease liabilities	15,253	15,102
Finance lease liabilities	17,989	33,243
Total finance lease liabilities	$33,242	$48,345

The maturities of finance lease liabilities as of December 31, 2025 are as follows:

Years Ending December 31,	
2026	$15,516
2027	15,516
2028	2,586
Total lease payments	$33,618
Less: interest	376
Present value of lease liabilities	$33,242

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:

	2025	2024
Finance lease costs:		
Amortization of lease assets included in depreciation and amortization expense	$14,967	$14,817
Interest on lease liabilities included in interest expense	415	565
Total finance lease costs	$15,382	$15,382

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

	2025	2024
Operating cash flows from finance lease	$ 415	$ 565
Financing cash flows from finance lease	15,101	14,950

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 1.92 years and 2.92 years, and a discount rate of 2.75%, at December 31, 2025 and 2024, respectively.

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

	2025	2024
Operating lease right-of-use assets	$148,812	$223,272
Current portion of operating lease liabilities	80,352	75,856
Operating lease liabilities	77,917	158,268
Total operating lease liabilities	$158,269	$234,124

The maturities of operating lease liabilities as of December 31, 2025 are as follows:

Years Ending December 31,	
2026	$ 83,696
2027	78,992
Total lease payments	162,688
Less: interest	4,419
Present value of lease liabilities	$158,269

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:

	2025	2024
Operating lease expense included in occupancy expense	$73,365	$79,947

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

	2025	2024
Operating cash flows from operating lease	$81,343	$79,072

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 $73,919 and $98,295 for 2025 and 2024, respectively.

K. **CONCENTRATIONS OF SUPPORT AND REVENUE**

United 4 Children received approximately 68% of its revenue from the ARCHS, ECERRN, and PAQ grants during the year ended December 31, 2025. Funding from these sources ended in 2025 and 2026. United 4 Children received approximately 83% of its revenue from the ARCHS and ECERRN grants during the year ended December 31, 2024.

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:

	2025	2024
Cash and cash equivalents	$ 867,518	$ 589,421
Grants receivable: less amount due to childcare providers	245,014	1,115,014
United Way receivable	111,227	112,165
Financial assets available to meet cash needs for general expenditures within one year	$1,223,759	$1,816,600

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.

M. PLANNED ACQUISITION OF NAVIGATE STL SCHOOLS

In November of 2025, United 4 Children announced its intent to acquire Navigate STL Schools (Navigate). The assumption agreement is still in negotiations but is expected to be completed in 2026. Navigate has been engaged in assisting parents and other caregivers in understanding and evaluating educational options for students in the St. Louis Region. Upon completion of the acquisition, United 4 Children will continue the efforts of Navigate to educate the St. Louis regional population about the available educational options, and to that end is willing to accept an assignment from Navigate of all of its right, title and interest in and to its non-cash assets, including Navigate's website, social media, intellectual property, program supplies and furniture.