FOSTER CARE COALITION OF GREATER ST. LOUIS, INC.
D/B/A FOSTER AND ADOPTIVE CARE COALITION
AND
THE INSTITUTE FOR CHILD WELFARE INNOVATION
CONSOLIDATED FINANCIAL STATEMENTS,
AS OF AND FOR THE
YEARS ENDED DECEMBER 31, 2025 AND 2024

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation

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SCHMERSAHL TRELOAR & CO.
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
St. Louis, Missouri

Opinion

We have audited the accompanying consolidated financial statements of Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition (a nonprofit organization) and The Institute for Child Welfare Innovation, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation, as of December 31, 2025 and 2024, and the related consolidated statement of activities, functional expenses and 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 audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation'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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 misstatement of the consolidated 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 consolidated 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 Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation'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 consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition and The Institute for Child Welfare Innovation'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.

Schmersahl Treloar & Co.

St. Louis, Missouri
June 17, 2026

CONSOLIDATED FINANCIAL STATEMENTS

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute of Child Welfare Innovation
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	4,192,810	6,187,594
Accounts receivable		
United Way	220,844	222,709
Grants and other	1,500,780	1,035,529
Capital campaign	834,189	1,576,978
Inventory	15,501	42,177
Investments	1,999,154	1,688,773
Prepaid expenses and other assets	226,002	93,382
Total Current Assets	8,989,280	10,847,142
CAPITAL CAMPAIGN RECEIVABLES, NET OF DISCOUNT	-	723,680
PROPERTY AND EQUIPMENT, NET	8,336,130	3,584,721
OPERATING LEASE RIGHT TO USE ASSETS	157,166	461,438
TOTAL ASSETS	$ 17,482,576	$ 15,616,981

LIABILITIES AND NET ASSETS

	2025	2024
LIABILITIES		
Accounts payable and accrued expense	$ 431,253	$ 280,447
Current portion operating lease liabilities	162,711	311,854
Total Current Liabilities	593,964	592,301
OPERATING LEASE LIABILITIES, LESS CURRENT PORTION	-	162,711
Total Liabilities	593,964	755,012
NET ASSETS		
Without donor restrictions		
Undesignated	6,843,490	4,724,807
Net investment in property, plant and equipment	8,336,130	3,584,721
Total Net Assets Without Donor Restrictions	15,179,620	8,309,528
With donor restrictions		
Time restricted for future periods	364,130	412,271
Purpose restriction	834,189	5,661,611
Perpetual in nature	510,673	478,559
Total Net Assets With Donor Restrictions	1,708,992	6,552,441
Total Net Assets	16,888,612	14,861,969
TOTAL LIABILITIES AND NET ASSETS	$ 17,482,576	$ 15,616,981

See accompanying notes to consolidated financial statements

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
CONSOLIDATED STATEMENTS OF ACTIVITIES

	Year Ended December 31, 2025			Year Ended December 31, 2024		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
PUBLIC SUPPORT AND REVENUE						
Grants	8,444,413	$ 143,286	$ 8,587,699	8,447,182	$ 189,562	$ 8,636,744
United Way allocation	-	220,845	220,845	-	222,709	222,709
Contributions	1,123,191	-	1,123,191	738,899	-	738,899
Capital campaign contributions	1,054,167	-	1,054,167	-	5,492,744	5,492,744
Contribution of non-financial assets	203,483	-	203,483	-	-	-
Other income	5,000	-	5,000	3,926	-	3,926
Special events, net of direct expenses	360,929	-	360,929	92,851	-	92,851
Investment return, net of fees	410,766	71,748	482,514	250,601	55,837	306,438
Retail store (loss), net of operating expenses	(15,571)	-	(15,571)	(12,655)	-	(12,655)
Net assets released from restrictions	5,279,328	(5,279,328)	-	4,125,743	(4,125,743)	-
Total Public Support and Revenue	16,865,706	(4,843,449)	12,022,257	13,646,547	1,835,109	15,481,656
EXPENSES						
Program Services						
Recruitment	5,143,991	-	5,143,991	4,187,903	-	4,187,903
Retention	5,301,938	-	5,301,938	4,504,132	-	4,504,132
Total Program Services	10,445,929	-	10,445,929	8,692,035	-	8,692,035
Supporting Services						
Management and general	280,082	-	280,082	292,050	-	292,050
Fundraising	699,474	-	699,474	715,908	-	715,908
Total Supporting Services	979,556	-	979,556	1,007,958	-	1,007,958
Total Expenses	11,425,485	-	11,425,485	9,699,993	-	9,699,993
CHANGE IN NET ASSETS FROM OPERATIONS	5,440,221	(4,843,449)	596,772	3,946,554	1,835,109	5,781,663
OTHER INCOME						
Employee Retention Credit	1,429,871	-	1,429,871	-	-	-
CHANGE IN NET ASSETS	6,870,092	(4,843,449)	2,026,643	3,946,554	1,835,109	5,781,663
NET ASSETS, Beginning of year	8,309,528	6,552,441	14,861,969	4,362,974	4,717,332	9,080,306
NET ASSETS, End of year	$ 15,179,620	$ 1,708,992	$ 16,888,612	$ 8,309,528	$ 6,552,441	$ 14,861,969

See accompanying notes to consolidated financial statements

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2025

	Program Services				Supporting Services				
	Recruitment	Retention	[RE]FRESH Resale Store	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 2,982,235	$ 3,043,221	$ 224,434	$ 6,249,890	$ 163,871	$ 425,260	$ 589,131	$ -	$ 6,839,021
Payroll taxes	229,944	234,647	-	464,591	12,635	32,790	45,425	-	510,016
Employee benefits	479,686	489,495	-	969,181	26,358	68,402	94,760	-	1,063,941
Total Salaries and Related Expenses	3,691,865	3,767,363	224,434	7,683,662	202,864	526,452	729,316	-	8,412,978
Specific assistance to individuals									
Holiday Wishes	118,171	120,587	-	238,758	6,493	16,851	23,344	-	262,102
Little Wishes	-	18,130	-	18,130	-	-	-	-	18,130
Renovations and building	633,644	644,015	-	1,277,659	27,958	72,370	100,328	-	1,377,987
Professional fees	206,091	249,424	-	455,515	17,708	18,768	36,476	-	491,991
Occupancy	186,908	190,731	47,474	425,113	10,270	26,653	36,923	-	462,036
Travel	34,283	34,283	-	68,566	-	-	-	-	68,566
Cost of goods sold and donations	-	-	362,150	362,150	-	-	-	-	362,150
Conferences and meetings	40,463	41,290	-	81,753	2,223	5,770	7,993	-	89,746
Printing and publications	77,466	79,050	-	156,516	4,257	11,047	15,304	-	171,820
Agency insurance	71,861	73,330	-	145,191	3,949	10,247	14,196	-	159,387
Special events - fundraising	-	-	-	-	-	-	-	67,243	67,243
Telephone	41,803	42,658	-	84,461	2,297	5,961	8,258	-	92,719
Office expenses, supplies, and equipment	40,183	39,806	35,681	115,670	2,016	5,233	7,249	-	122,919
Postage and shipping	853	871	-	1,724	47	122	169	-	1,893
Membership dues	400	400	-	800	-	-	-	-	800
	5,143,991	5,301,938	669,739	11,115,668	280,082	699,474	979,556	67,243	12,162,467
Less expenses included with support on the statement of activities									
[RE]FRESH Resale Store	-	-	(669,739)	(669,739)	-	-	-	-	(669,739)
Cost of direct benefits to donors	-	-	-	-	-	-	-	(67,243)	(67,243)
Total expenses included with support on the statement of activities	-	-	(669,739)	(669,739)	-	-	-	(67,243)	(736,982)
Total Expenses By Function	$ 5,143,991	$ 5,301,938	$ -	$ 10,445,929	$ 280,082	$ 699,474	$ 979,556	$ -	$ 11,425,485
Percent of Total Expenses	45.0%	46.4%		91.4%	2.5%	6.1%	8.6%		100.0%

See accompanying notes to consolidated financial statements

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSE

Year Ended December 31, 2024

	Program Services				Supporting Services				
	Recruitment	Retention	[RE]FRESH Resale Store	Total Program Services	Management and General	Fund-Raising	Total Supporting Services	Cost of Direct Benefits to Donors	Total
Salaries and wages	$ 2,784,076	$ 2,958,737	$ 222,067	$ 5,964,880	$ 197,067	$ 432,148	$ 629,215	$ -	$ 6,594,095
Payroll taxes	211,913	225,207	-	437,120	15,000	32,893	47,893	-	485,013
Employee benefits	434,270	461,513	-	895,783	30,739	67,408	98,147	-	993,930
Total Salaries and Related Expenses	3,430,259	3,645,457	222,067	7,297,783	242,806	532,449	775,255	-	8,073,038
Specific assistance to individuals									
Holiday Wishes	100,914	107,244	-	208,158	7,143	15,664	22,807	-	230,965
Little Wishes	-	30,069	-	30,069	-	-	-	-	30,069
Professional fees	170,687	208,312	-	378,999	12,256	102,348	114,604	-	493,603
Occupancy	159,801	173,125	47,394	380,320	12,331	27,040	39,371	-	419,691
Travel	29,915	29,915	-	59,830	-	-	-	-	59,830
Community outreach	42,025	42,025	-	84,050	-	-	-	-	84,050
Cost of goods sold and donations	-	-	698,971	698,971	-	-	-	-	698,971
Conferences and meetings	27,820	29,566	-	57,386	1,969	4,318	6,287	-	63,673
Printing and publications	60,758	64,571	197	125,526	4,301	9,431	13,732	-	139,258
Agency insurance	56,411	59,951	-	116,362	3,993	8,756	12,749	-	129,111
Special events - fundraising	-	-	-	-	-	-	-	122,368	122,368
Telephone	43,407	46,129	-	89,536	3,072	6,738	9,810	-	99,346
Office expenses, supplies, and equipment	63,161	64,895	30,065	158,121	4,035	8,848	12,883	-	171,004
Postage and shipping	2,034	2,162	-	4,196	144	316	460	-	4,656
Membership dues	711	711	-	1,422	-	-	-	-	1,422
	4,187,903	4,504,132	998,694	9,690,729	292,050	715,908	1,007,958	122,368	10,821,055
Less expenses included with support on the statement of activities									
[RE]FRESH Resale Store	-	-	(998,694)	(998,694)	-	-	-	-	(998,694)
Cost of direct benefits to donors	-	-	-	-	-	-	-	(122,368)	(122,368)
Total expenses included with support on the statement of activities	-	-	(998,694)	(998,694)	-	-	-	(122,368)	(1,121,062)
Total Expenses By Function	$ 4,187,903	$ 4,504,132	$ -	$ 8,692,035	$ 292,050	$ 715,908	$ 1,007,958	$ -	$ 9,699,993
Percent of Total Expenses	43.2%	46.4%		89.6%	3.0%	7.4%	10%		100%

See accompanying notes to consolidated financial statements

Foster Care Coalition of Greater St. Louis, Inc.
d/b/a Foster and Adoptive Care Coalition and
The Institute for Child Welfare Innovation
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,026,643	$ 5,781,663
Adjustments to reconcile change in net assets to net change in cash and cash equivalents from operating activities:		
Depreciation	79,269	56,746
Realized/Unrealized (gain) on investments	(222,371)	(155,559)
Donated securities	(92,561)	(275,425)
Lease amortization	(7,582)	(1,524)
Donated property and equipment	(123,483)	-
Capital campaign, net of change in discount	(1,054,167)	(5,492,744)
(Increase) decrease in assets:		
United Way receivable	1,865	24,746
Grants and other receivable	(465,251)	41,279
Inventory	26,676	21,467
Prepaid expenses	(132,620)	(8,929)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	150,806	(102,314)
Net Change in Cash and Cash Equivalents from Operating Activities	187,224	(110,594)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(375,777)	(844,244)
Proceeds from sale of investments	380,328	1,044,035
Purchase of property and equipment	(4,707,195)	(3,505,452)
Net Change in Cash and Cash Equivalents from Investing Activities	(4,702,644)	(3,305,661)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital campaign	2,520,636	5,295,422
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,994,784)	1,879,167
CASH AND CASH EQUIVALENTS, Beginning of year	6,187,594	4,308,427
CASH AND CASH EQUIVALENTS, End of year	$ 4,192,810	$ 6,187,594

See accompanying notes to consolidated financial statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition (the "Coalition") is a not-for-profit corporation established in 1985. The Coalition strives to create permanency in every foster child's life by recruiting and supporting foster and adoptive families in the St. Louis metropolitan community. The Coalition works to achieve its mission through programs directed toward recruitment and retention.

In 2022, the FACC Real Estate, LLC (the "LLC"), a disregarded single-member limited liability corporation, was created to serve as a real estate holding company for the property purchased at 1220 North Lindbergh Boulevard Saint Louis, MO 63132. Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition is the sole corporate member and manager of the LLC.

In 2019, The Institute for Child Welfare Innovation (the "Institute"), a not-for-profit corporation, was created to fulfill the 30 Days to Family program outside the Greater St. Louis Area.

Foster Care Coalition of Greater St. Louis, Inc. d/b/a Foster and Adoptive Care Coalition is the sole corporate member of the Institute, and accordingly, the Institute is a consolidated related entity. The Institute had no revenue or expense for the years ending December 31, 2025 and 2024.

Basis of Presentation

The consolidated financial statements include the accounts of the Coalition and the Institute (collectively, the Organization) and 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). All intercompany accounts and transactions have been eliminated. The Organization 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.

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

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 that are temporary in nature 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. Accordingly, actual amounts could differ from these estimates.

Concentration of Credit Risk

The Organization generates receivables and revenues from grant agencies in the normal course of business. The agencies are primarily located throughout the St. Louis metropolitan area. The Organization does not require collateral to secure receivables from these agencies.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term investments that can be converted into cash within three months or less from time of purchase.

The Organization maintains cash deposits in bank accounts which at times exceed federally insured limits of up to $250,000 for each institution. The Organization utilizes a sweep account. At the end of each business day, the outstanding balance is spread across multiple bank accounts to ensure that all deposits are under the Federally insured limits. The Organization has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its cash and cash equivalents.

During 2025 and 2024, for cash flow reporting purposes, no cash payments relating to interest or income tax were made.

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

Grants and Other Receivable

Grants and other receivable are carried net of allowance for doubtful accounts. The allowance for doubtful accounts is increased by provisions charged to expense and reduced by accounts charged off, net of recoveries. The allowance is maintained at a level considered adequate to provide for potential account losses based on management's evaluation of the anticipated impact on the balance of current economic conditions, changes in the character and size of the balance, past and expected future loss experience and other pertinent factors. No allowance was deemed necessary as of December 31, 2025 and 2024.

Revenue Recognition – Contributions, Government Grants, and Grant Income

The Organization 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.

Contributions
Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Restricted contributions which are 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 restrictions.

Government Grant and Grant Income
A portion of the Organization's revenue is derived from cost-reimbursable 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 the Organization has incurred expenditures in compliance with specific contracts or grant provisions.

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

Revenue Recognition – Contracts with Customers

Special Event Revenue
Special event revenue from ticket sales and sponsorships are recognized when received.

Retail Store Revenue
The Organization records sales from its [RE]FRESH store when transaction price is agreed upon and performance obligations with our customers are satisfied. A performance obligation is a promise to transfer a distinct good to the customer.

Inventory

Inventory, which is sold at the Organization's [RE]FRESH store, consists of donated clothing items and is valued at the sales price of similar items.

Investments

Investments consist of exchange traded funds, money market accounts and various common stocks and are carried at fair value. Donated investments received as contributions are recorded at their fair value of the investment on the date they were received. Return on investment is reported net of investment expenses and consists of interest, dividends, unrealized and realized gains and losses, and is reported on the Consolidated Statements of Activities.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Consolidated Statements of Financial Position.

Property and Equipment

Property and equipment consist of office equipment and leasehold improvements, which are stated at cost less accumulated depreciation. Assets are depreciated on a straight-line basis over the estimated useful lives of the assets, which range from three to thirty-nine years. Expenditures for repairs and maintenance are charged to operations as incurred while renewals and betterments of $5,000 or more are capitalized.

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

Functional Expenses

Functional expenses have been allocated between program services and supporting services based primarily on an analysis of personnel time. In addition, other costs are directly and indirectly allocated among the programs and supporting services benefited based on management's estimates.

Financial Instruments

The carrying amount of accounts receivable, accounts payable and accrued expenses approximate fair value due to the short-term maturities of these instruments.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities on the Consolidated Statement of Net Position. 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. The Coalition 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. The Coalition does not have any financing leases as of December 31, 2025 and 2024, respectively. The Organization calculates operating lease liabilities with a risk-free discount rate, using a comparable period with the lease term. All lease and non-lease components are combined for all leases.

Contributions of Nonfinancial Assets

Contributed services are recognized at fair value if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair value when received. The Organization also receives donated services from other contributors and volunteers that are not measurable, and therefore, are not included in the consolidated financial statements.

Significant Funding

The Coalition received approximately $6,599,405 and $6,676,000 of its support, for the years ended December 31, 2025 and 2024 from the Area Resources for Community & Human Services Organization. These amounts account for approximately 50% and 44% of all revenues for the years ended December 31, 2025 and 2024, respectively. The current level of the Organization's operations and program services may be impacted if the funding is altered from these funders.

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

Income Tax

The Coalition and Institute are separate legal entities, and both individually qualify as nonprofit organizations and are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. The Coalition and Institute do not have unrelated business income, excise taxes, or activities that would threaten their tax-exempt status. Accordingly, no provision for federal or state income taxes is provided for the years ending December 31, 2025 and 2024. The Coalition and Institute each file their own information return, IRS Form 990. The Coalition's tax returns for the years 2022 and later remain subject to examination by taxing authorities. The Institute's tax returns for the years 2022 and later remain subject to examination by taxing authorities.

The Organization follows the provisions of uncertain tax positions as addressed by the Financial Accounting Standards Board and management is not aware of any uncertain tax positions of the Organization related to the tax filings.

Subsequent Events

In preparing these consolidated financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 17, 2026, the date the consolidated financial statements were available to be issued.

Reclassified

Certain year end December 31, 2024 amounts have been reclassified to conform to the presentation of the year end December 31, 2025 statements. These changes have no material impact on the financial statements for the stated periods.

B. INVESTMENTS

Investments consist of the following at December 31:

	2025	2024
Fixed income mutual funds	$ 634,857	$ 563,383
Equity mutual funds	1,364,297	1,125,390
Total	$ 1,999,154	$ 1,688,773

B. INVESTMENTS *(Continued)*

The Organization's investment activity as reported on the consolidated statements of activities consists of the following at December 31:

	2025	2024
Investment income, net of fees	$ 260,143	$ 150,879
Realized and unrealized gain on investments	222,371	155,559
Total Investment Income	$ 482,514	$ 306,438

The amounts reported as realized and unrealized investment gains (losses) in the accompanying consolidated financial statements are a result of the following:

a) The difference in the market values of investments on hand at the beginning of the year as compared to the end of the year.
b) The difference between the proceeds from the sale of investments and the related market values of those investments at December 31 of the previous year.
c) The difference between the costs of investments purchased during the year and related market value of those investments at December 31, or between the proceeds from the sale of those investments if sold during the respective year.

C. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

	Fair Value Measurements at December 31, 2025			
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual funds	$ 634,857	$ -	$ 634,857	$ -
Equity mutual funds	1,364,297	1,364,297	-	-
Total	$ 1,999,154	$ 1,364,297	$ 634,857	$ -

C. **FAIR VALUE MEASUREMENTS** *(Continued)*

Fair values of assets measured on a recurring basis are as follows:

	Fair Value Measurements at December 31, 2024			
	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual funds	$ 563,383		$ 563,383	$ -
Equity mutual funds	1,125,390	1,125,390	-	-
Total	$ 1,688,773	$ 1,125,390	$ 563,383	$ -

Financial assets valued using Level 1 inputs are based on quoted market prices within active markets, such as exchange-traded securities. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Examples of Level 2 assets include U.S. Treasury securities, corporate and municipal bonds, and mortgage-backed securities. Financial assets valued using Level 3 inputs are based primarily on assumptions about the marketability of the assets and can include corporate loans, mortgage loans, distressed debt, and investments in real estate funds. The Organization has no Level 2 or Level 3 assets.

D. **GRANTS AND OTHER RECEIVABLES**

Grants and other receivables consist of the following at December 31:

	2025	2024
Area Resources for Community & Human Services	$ 1,080,411	$ 583,854
St. Louis Mental Health Board	143,286	189,562
St. Louis County Children’s Service Fund	22,034	87,834
Other Receivables	255,049	174,279
Total Grants and Other Receivables	$ 1,500,780	$ 1,035,529

E. CAPITAL CAMPAIGN

During the year ended December 31, 2022, the Coalition initiated a capital campaign to finance the purchase and renovation of a building. The goal of the capital campaign is to expand the Coalition's physical operating capabilities to serve its mission.

The total accumulated capital campaign contributions through December 31, 2025, is approximately $10,217,000.

The Coalition received HVAC equipment and installation, and discounted furniture as contributions to the capital campaign (Footnote J) during the year ended December 31, 2025. These amounts are recorded in the Consolidated Statement of Activities as contributions of non-financial assets in the approximate amount of $203,000.

In total at December 31, 2025, the Coalition received approximately $10,420,000 for the Capital Campaign. The fundraising efforts of the Capital Campaign concluded at December 31, 2025.

The capital campaign receivable was $834,189 at December 31, 2025. Approximately $500,000 has been collected through financial statement issuance date. The remaining amounts will be collected during the year ended December 31, 2026.

As seen in Footnote F, through December 31, 2025, the Coalition has expended approximately $8,336,000 in Land, Building, and Construction in Progress costs related to the Capital Campaign efforts. In 2026, the Coalition expects to spend an additional $4,800,000 to complete the renovation.

As of May of 2026, the Coalition has officially moved into the building. The building will be placed in service in 2026.

F. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2025	2024
Land	$ 735,010	$ 735,010
Building	2,770,442	2,770,442
Office equipment	193,151	193,151
Leasehold improvements	71,114	71,114
Construction in progress	4,830,678	-
	8,600,395	3,769,717
Less: accumulated depreciation	(264,265)	(184,996)
Property and Equipment, Net	$ 8,336,130	$ 3,584,721

Depreciation expense was $79,269 and $56,746 for the years ended December 31, 2025 and 2024, respectively.

Leasehold improvements are depreciated using the straight-line method over the shorter of their useful life or the remaining lifetime of the lease. Fully depreciated fixed assets will remain on the Organization’s Consolidated Statement of Financial Position until they are disposed of or otherwise deemed worthless.

In May of 2024, FACC Real Estate, LLC purchased a building and land for approximately $3,425,000. At December 31, 2025, the Coalition is in the process of renovating the building and those expenses are being capitalized as construction in progress. The building was placed in service during May 2026.

G. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods.

	2025	2024
Subject to the passage of time:		
United Way	$ 220,844	$ 222,709
Recruitment and Retention	143,286	189,562
	364,130	412,271
Subject to expenditure for specific purpose:		
Capital Campaign	834,189	5,661,611
Subject to the Coalition's spending policy and appropriation:		
Original donor-restricted gift amount	425,000	425,000
Accumulated Gain	85,673	53,559
	510,673	478,559
	$ 1,708,992	$ 6,552,441

Net assets with donor restrictions are reclassified to net assets without donor restrictions when the funds are utilized for the restricted purpose.

Net assets with donor restrictions that are perpetual in nature consist of endowment contributions to be held in perpetuity, the income from which can be used for Goddard Institute or the Organization's operating expenses.

From time to time, the fair value of assets associated with individual donor-restricted perpetual endowment funds may fall below the level that the donor requires the Organization to maintain as a fund of perpetual duration. The deficiencies are reported in net assets with donor restrictions and resulted from unfavorable market fluctuation on investment contributions restricted in perpetuity. There are no deficiencies of this nature for the years ended December 31, 2025 and 2024.

G. NET ASSETS WITH DONOR RESTRICTIONS *(Continued)*

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or other events specified by donors as follows for the year ended December 31:

	2025	2024
Subject to the passage of time:		
United Way	$ 222,709	$ 247,455
Recruitment and Retention	189,562	282,580
	412,271	530,035
Subject to expenditure for specific purpose:		
Capital Campaign	4,827,423	3,556,133
Subject to the Coalition's spending policy and appropriation:		
Goddard Institute and General Operations	39,634	39,575
Total Net Assets Released from Restrictions	$ 5,279,328	$ 4,125,743

H. ENDOWMENT

The endowment consists of two individual donor-restricted funds. In accordance with U.S. Generally Accepted Accounting Principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment balances are included in cash and investments in the Consolidated Statements of Financial Position.

The Board of Directors of the Organization has interpreted the Missouri Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of donor restricted endowments, absent explicit donor stipulations to the contrary, at the greater of the fair value of the original gifts as of the gift date. As a result of this interpretation, the Organization classifies as donor-restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made according to the directive in the applicable donor gift instrument at the time the accumulation is added to the fund.

H. ENDOWMENT *(Continued)*

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic condition, (4) the possible effect of inflation and deflation, (5) the expected total return from income and appreciation of investments, (6) other resources of the Organization, and (7) the Organization's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies
The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Spending Policy
Endowment spending distributions are designed to stabilize annual spending levels and preserve the real value of the endowment over time. Under the policy, earnings of the Endowment are distributed at a rate set annually by the Finance Committee. The Finance Committee also considers the provisions of UPMIFA in determining the amount to appropriate. The annual spending rate must fall within the range of 3.0% to 8.0% of the five-year average of the Endowment Fund's market value as measured at December 31 of each year. The spending rate is funded from current earnings and, in years when current earnings are insufficient, from previously accumulated earnings of the Endowment Fund. In years in which current and previously accumulated earnings are insufficient to fund the distribution rate established by the Finance Committee, principal may be invaded at the maximum rate of 5% of the five-year average of the Endowment Fund's market value.

For the year ended December 31, 2025 and 2024, the Organization had the following endowment-related activities:

	2025	2024
Endowment net assets, beginning of year	$ 478,559	$ 462,297
Net investment gain	71,748	55,837
Amounts appropriated for the Goddard Institute and general operations	(39,634)	(39,575)
Endowment net assets, end of year	$ 510,673	$ 478,559

H. ENDOWMENT *(Continued)*

For the years ended December 31, 2025 and 2024, the Coalition appropriated $39,634 and $39,575, respectively. The appropriations are to be spent on expenses related to the Carleen Goddard-Mazur Training Institute and general operations.

I. RETAIL STORE OPERATIONS

The Coalition operates a resale store, [RE]FRESH. [RE]FRESH collects donated clothing and accessories from the general public for the primary purpose of raising funds to support the Coalition's mission. Retail store revenue is reported net of discounts. [RE]FRESH also donates clothing to foster families through its Youth-in-Need and Resource Programs.

	2025	2024
Sales	$ 318,695	$ 308,535
Clothing donations	335,473	677,504
Cost of sales	(275,771)	(483,535)
Cost of donations youth-in-need	(72,634)	(162,464)
Cost of donations resource program	(13,745)	(52,886)
Gross profit	292,018	287,154
Operating expenses	(307,589)	(299,809)
Retail store (loss), net of operating expenses	($ 15,571)	($ 12,655)

J. CONTRIBUTIONS OF NONFINANCIAL ASSETS

The Coalition receives donated advertising for Little Wishes and other programs from KSDK Television Station for the years ended December 31, 2025 and 2024, respectively. Since the Coalition was not provided with information from the donor, it is unable to record the value of this donated service. The Coalition also receives assistance from many volunteers donating their time and performing a variety of tasks that assist the Coalition in its programs and general operations. Since donated time for these types of volunteer services is undeterminable, the Coalition is unable to record the value of these donated services.

The Coalition received donated HVAC equipment as part of the capital campaign with a stated value of $123,483 which is based on the equipment and installation cost provided by the donor. The Coalition received discounted furniture as part of the capital campaign with an estimated value of $80,000. These amounts are recorded on the Consolidated Statement of Activities for the year ended December 31, 2025.

K. LEASING ARRANGEMENTS

The Organization leases office space from an unrelated party under an operating lease agreement expiring on June 30, 2026. These leases are classified as operating leases. The terms of this lease require base monthly payments of $25,402 to $27,468 through June 2026. The Company will not renew the office space lease. The components of operating leases expense that are included in occupancy on the Consolidated Statement of Functional Expenses for the year ended December 31, 2025 and 2024 were as follows, respectively:

	2025	2024
Operating lease costs	$ 325,937	$ 318,355
Variable lease costs	13,146	25,415
	$ 339,083	$ 343,770

The following summarizes the line items in the Consolidated Statement of Financial Position which includes amounts for operating leases as of December 31, 2025 and 2024, respectively:

Operating lease right-of-use assets	$ 157,166	$ 461,438
Current portion of long-term debt and operating lease liabilities	162,711	311,854
Operating lease liabilities	-	162,711
Total Operating lease liabilities	$ 162,711	$ 474,565

The following summarizes the cash flow information related to operating leases for the years ended December 31, 2025 and 2024, respectively:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 339,083	$ 343,770

K. LEASING ARRANGEMENTS *(Continued)*

As of December 31, 2025, the Organization's operating leases had a weighted average remaining lease term of six months and a weighted average discount rate of 3.52%. The following table summarizes future lease payments as of December 31, 2025:

Year Ending		
2026	$	164,722
Total Future Minimum Lease Payments		164,722
Less Imputed Interest	(	2,011)
Total	$	162,711

L. LINE OF CREDIT

The Coalition has a revolving line of credit up to $500,000. Interest is payable at prime rate published in the Wall Street Journal Money Rates (the "Index"). The Index was 6.75% at December 31, 2025. The line of credit had no outstanding balance at December 31, 2025. The line of credit expires on August 8, 2026.

M. EMPLOYER SPONSORED 401K PLAN

During the year ended December 31, 2024, the Coalition started matching contributions made to the employer sponsored 401k plan. The Coalition matches employee contributions up to 3% of the employees' eligible compensation. Contributions vest at a rate of 25% a year after two full years of service, being fully vested after five years of service. Contributions made by the Coalition amounted to $114,013 and $114,247 years ended December 31, 2025 and 2024, respectively.

N. EMPLOYEE RETENTION TAX CREDIT

During the year ended December 31, 2022, the Coalition submitted applications for the Employee Retention Tax Credit for all four quarters in 2020 and the first three quarters in 2021. These amounts were not recorded on the Consolidated Financial Statements due to uncertainties surrounding the pending approval and timeline of collection at the time the application was submitted.

During the year ended December 31, 2025, the Coalition received ERC payment for six of the seven quarters filed. The total received including interest was $1,429,871. These are recorded as Other Income on the Consolidated Statement of Activities.

O. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization regularly monitors liquidity required to meet its operating needs. The Organization maintains financial assets, consisting of cash and investments, on hand to meet its normal operating expenses based on its annual budget. 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, the Organization invests cash in excess of daily requirements in various investments and has a line of credit available to use if needed.

The Organization's financial assets available within one year of the Consolidated Statement of Financial Position date for general expenditures are as follows:

	2025	2024
Cash and cash equivalents	$ 4,192,810	$ 6,187,594
Accounts receivable	2,555,813	2,835,216
Investments	1,999,154	1,688,773
Total financial assets	8,747,777	10,711,583
Less amounts not available to be used within one year:		
Donor restricted for purpose	834,189	5,661,611
Donor restricted perpetual endowment	510,673	478,559
Total financial assets not available to be used	1,344,862	6,140,170
Financial assets available to meet cash needs for general expenditures within one year	$ 7,402,915	$ 4,571,413

As discussed in Note L, the Coalition has access to a $500,000 line of credit that can be drawn on should short-term liquidity be needed.