UnitedHealthcare Children's Foundation, Inc.

Financial Statements

December 31, 2025 and 2024

Independent Auditors' Report

To the Board of Directors of
UnitedHealthcare Children's Foundation, Inc.

Opinion

We have audited the financial statements of UnitedHealthcare Children's Foundation, Inc. (the Foundation), 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 accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2025 and 2024, and the results of its operations, 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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Foundation 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 Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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 GAAS 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 GAAS, 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 the Foundation'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 the Foundation'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.

Baker Tilly US, LLP

Minneapolis, Minnesota
April 6, 2026

UnitedHealthcare Children's Foundation, Inc.

Statements of Financial Position
December 31, 2025 and 2024

	2025	2024
Assets		
Assets		
Cash and cash equivalents	$ 18,116,986	$ 16,495,342
Contributions receivable, net	36,502	99,326
Prepaid expenses	58,588	97,715
Inventory	57,809	68,522
Total assets	$ 18,269,885	$ 16,760,905
Liabilities and Net Assets		
Liabilities		
Accounts and grants payable	2,729,730	2,409,098
Deferred revenue	1,166,789	1,018,769
Total liabilities	3,896,519	3,427,867
Net Assets		
Net assets without donor restrictions	14,373,366	13,333,038
Total liabilities and net assets	$ 18,269,885	$ 16,760,905

See notes to financial statements

UnitedHealthcare Children's Foundation, Inc.

Statements of Activities
Years Ended December 31, 2025 and 2024

	2025	2024
Revenue		
Contribution revenue	$ 2,687,031	$ 2,785,508
Merchandise sales	42,684	43,460
Contributed services	2,328,716	2,293,825
Special event revenue, net of costs of direct benefit to donors of $1,071,477 and $1,209,272, respectively	5,285,708	4,472,503
Interest income	715,312	792,434
Total revenue	11,059,451	10,387,730
Expenses		
Program grants and services	7,479,432	7,081,724
Management and general	536,682	585,253
Fundraising	2,003,009	1,641,466
Total expenses	10,019,123	9,308,443
Change in net assets without donor restrictions	1,040,328	1,079,287
Net Assets, Beginning	13,333,038	12,253,751
Net Assets, Ending	$ 14,373,366	$ 13,333,038

See notes to financial statements

UnitedHealthcare Children's Foundation, Inc.

Statements of Functional Expenses
Years Ended December 31, 2025 and 2024

	2025				2024			
	Program Grants and Services	Management and General	Fundraising	2025 Total	Program Grants and Services	Management and General	Fundraising	2024 Total
Salaries and wages contributed	$ 1,089,946	$ 153,038	$ 509,393	$ 1,752,377	$ 828,997	$ 183,565	$ 540,773	$ 1,553,335
Consulting and other services contributed	431,300	-	145,039	576,339	740,490	-	-	740,490
Grants	4,922,794	-	-	4,922,794	3,768,089	-	-	3,768,089
Events	28,488	-	438,169	466,657	28,904	-	172,755	201,659
Promotional products	88,478	-	10,931	99,409	99,832	-	13,930	113,762
Professional fees	30,230	-	-	30,230	28,710	-	-	28,710
Information technology	144,042	-	411	144,453	121,674	-	-	121,674
Bank fees	29,950	44	63,725	93,719	37,505	-	56,520	94,025
Supplies / printing	22,540	8	3,372	25,920	9,271	-	633	9,904
Consulting	623,436	383,592	831,389	1,838,417	1,369,360	401,688	855,417	2,626,465
Miscellaneous	68,228	-	580	68,808	48,892	-	1,438	50,330
Total expenses	$ 7,479,432	$ 536,682	$ 2,003,009	$ 10,019,123	$ 7,081,724	$ 585,253	$ 1,641,466	$ 9,308,443

See notes to financial statements

UnitedHealthcare Children's Foundation, Inc.

Statements of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Change in net assets	$ 1,040,328	$ 1,079,287
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Change in contributions receivable	62,824	29,557
Change in prepaid expenses	39,127	30,789
Change in inventory	10,713	48,002
Change in accounts and grants payable	320,632	60,209
Change in deferred revenue	148,020	(99,528)
Net cash flows from operating activities	1,621,644	1,148,316
Net change in cash and cash equivalents	1,621,644	1,148,316
Cash and Cash Equivalents, Beginning	16,495,342	15,347,026
Cash and Cash Equivalents, Ending	$ 18,116,986	$ 16,495,342

See notes to financial statements

1. Summary of Significant Accounting Policies

UnitedHealthcare Children's Foundation, Inc. (the Foundation) was created to enhance the lives of children, 16 years of age or younger, by awarding grants to those needing medically appropriate health care treatment and/or services that are not fully covered by their current health insurance or other funding. Currently, the Foundation is funded by UnitedHealth Group Incorporated (UnitedHealth Group) and its employees, as well as contributions from individuals and corporations.

The Foundation limits its fund grants to 85% of the available funds at any time. During a 12-month period, individual grants are limited to the lesser of $5,000 or 85% of available funds. Generally, grants are paid within one year. The grant recipients are required to submit applications and financial information. The grant applications are reviewed and approved by the Regional Boards of Directors.

A summary of the Foundation's significant accounting policies follows:

Financial Statement Presentation

Net assets, support, revenue, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation are classified and reported as follows:

Without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

With Donor Restrictions - Net assets subject to donor-imposed stipulations that will be met by action of the Foundation and/or passage of time. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Foundation to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. The Foundation does not have any net assets with donor restrictions as of December 31, 2025 or 2024.

Board Designated Net Assets

The Foundation's Board of Directors has the ability to designate identified amounts of net assets without restrictions to be used by management for specific future projects or activities. These designations can be modified or removed by the Board of Directors at any time. There are no board designated net assets at December 31, 2025 and 2024.

Cash and Cash Equivalents

The Foundation defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. Cash on deposit in excess of FDIC insurance coverages is subject to the usual banking risks of funds in excess of those limits.

Inventory

Inventory, which consists primarily of plush animals, books and games used for awareness and fundraising activities, are stated at the lower of cost or market, with cost determined on the first-in, first-out basis.

Contribution Revenue and Contributions Receivable

Contribution revenues are recorded when the unconditional contribution is made to the Foundation. Current contributions receivable are expected to be collected during the next year and are recorded at net realizable value. Except for contributions relating to special events which are disclosed below, the Foundation has no conditional contributions as of December 31, 2025 or 2024.

Contributions receivable are shown net of an allowance for uncollectible contributions, if applicable. The allowance for uncollectible promises to give is determined based on the Foundation's historical collections experience. There was no allowance for uncollectible contributions deemed necessary as of December 31, 2025 and 2024, respectively.

Special Event Revenue

Special event revenue consists of registration fees and sponsorships for the Foundation's various fundraising events held. The Foundation considers all special event revenue received to be conditional contributions to be recognized upon the occurrence of the specified event. Thus, contributions received prior to the event are deferred and recognized when the contribution becomes unconditional (i.e. the event has occurred). Special event revenue is recognized net of the costs that are a direct benefit to the donors. The Foundation has recorded deferred revenue of $1,166,789 and $1,018,769 as of December 31, 2025 and 2024, respectively, relating to conditional contributions for special events occurring in 2026 and 2025.

Grant Commitments

The Foundation's Regional Boards of Directors approves grant applications contingent upon the Foundation receiving detailed supporting financial information. Upon receipt of such information, the grant payable and corresponding program expense is recorded. Contingent grants outstanding at December 31, 2025 and 2024, respectively, are approximately $3,310,000 and $2,949,000 and are excluded from these financial statements.

Grants Payable

The liability for grants payable is an estimated amount of grants that relates to 2025 grant expense to be paid in subsequent years. The methods and assumptions used for estimating these amounts are continually reviewed and adjusted as more current information is received. The Foundation's estimated grants payable were $850,000 and $650,000 at December 31, 2025 and 2024, respectively.

Income Tax Status

The Internal Revenue Service has determined that the Foundation is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal or state income taxes. However, any unrelated income may be subject to taxation.

The Foundation follows the accounting standards for contingencies in evaluating uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. No liability has been recognized by the Foundation for uncertain tax positions as of December 31, 2025 and 2024. The Foundation's tax returns are subject to review and examination by federal and state authorities.

Estimates and Assumptions

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expense

The costs of providing program services and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supporting services benefited based on actual time spent, such as salaries and wages, events and consulting expenses.

Subsequent Events

In preparing these financial statements, the Foundation has considered events and transactions for potential disclosure through April 6, 2026, which is the date that the financial statements were available to be issued.

2. Liquidity and Availability

The Foundation's financial assets available within one year of the statement of financial position date for general expenditures such as operating expenses as of December 31, 2025 and 2024 are as follows:

	2025	2024
Cash and cash equivalents	$ 18,116,986	$ 16,495,342
Contributions receivable	36,502	99,326
Total	$ 18,153,488	$ 16,594,668

The Foundation's practice is to structure its financial assets to be available as its general expenditures, liabilities, and obligations come due, and targets a minimum 60 days of operating expense coverage at any point in time.

3. Related-Party Transactions

UnitedHealth Group provides certain administrative, overhead and accounting services at no charge to the Foundation. The fair value of these services was approximately $1,900,000 and $1,873,000 for the years ended December 31, 2025 and 2024, respectively. The Foundation has included these amounts in contributed services on the statements of activities and salary and wages contributed and consulting and other services contributed expense on the statements of functional expense.

The Foundation also pays UnitedHealth Group for a portion of the services provided to the Foundation. The total amount of these services billed to the Foundation was approximately $1,820,000 and $1,732,000 for the years ended December 31, 2025 and 2024, respectively, and is included in consulting expense on the statements of functional expenses. These amounts are also owed to UnitedHealth Group at December 31, 2025 and 2024 and are included in accounts payable on the statements of financial position.

During 2025 and 2024, a significant portion of the Foundation's contributions were received from United Health Foundation and its employees. Employee contributions are generally collected by United Health Foundation through their payroll deduction program and are matched dollar for dollar by United Health Foundation. Contribution revenue recognized from UnitedHealth Group employees and the corresponding United Health Foundation match was approximately $2,018,000 and $2,225,000 for the years ended December 31, 2025 and 2024, respectively. The employee's donation amount can be changed at any time; thus, in accordance with generally accepted accounting standards in the United States of America, donations are recorded when they are remitted to the Foundation.

A portion of the Foundation's cash equivalents are held in a savings account at Optum Bank. Optum Bank is a related party under common control of UnitedHealth Group. At December 31, 2025 and 2024 there was $18,007,999 and $16,372,495 in the savings account, respectively.

4. Contributed Services

For the years ended December 31, contributed nonfinancial assets recognized within the statements of activities included:

	2025	2024
Salaries and wages contributed:		
Compensation	$ 1,272,063	$ 1,159,355
Fringe benefits	213,126	192,896
Corporate chargebacks	121,898	63,667
Printing, supplies and miscellaneous	78,190	57,107
Travel and entertainment	67,100	80,310
Subtotal	1,752,377	1,553,335
Other contributed services:		
CRM support	283,500	74,970
Website maintenance and engagement	147,800	-
Event donations	145,039	91,244
Foundation re-brand	-	319,381
Website rebuild and design	-	254,895
Subtotal	576,339	740,490
Total contributed services	$ 2,328,716	$ 2,293,825

The contributed nonfinancial assets activity represents salaries and wages donated by UnitedHealth Group and includes the expenses for employees who support the operations and fundraising efforts of the Foundation. These expenses are recorded at fair market value as they are recorded at actual amounts incurred and paid by UnitedHealth Group.

Other contributed nonfinancial assets were contributed by various vendors throughout fiscal year 2025 for IT support of the CRM system implemented in 2024, maintenance of the Foundation’s website and donor engagement support, as well as various event specific donations. Other contributed services were recorded at fair market value for these services as provided by the respective vendors.