

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT**

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024



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WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
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INDEPENDENT AUDITORS' REPORT

Board of Directors of
Westchester Institute for Human Development
Valhalla, New York



Opinion

We have audited the financial statements of Westchester Institute for Human Development (hereinafter the "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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 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 Audits of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audits 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 audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Corini & Associates LLP

May 26, 2026

Bohemia, New York

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

2025

2024

ASSETS

Current Assets:

Cash.....	\$	4,687,786	\$	3,223,559
Certificates of deposit.....		731,672		465,003
Investments.....		5,313,382		4,832,349
Receivables:				
Medical, net of allowance for doubtful accounts.....		888,084		1,422,124
Contract, net of allowance for doubtful accounts.....		2,195,418		2,179,401
Grants.....		2,304,162		1,333,242
Capital campaign pledge receivables.....		186,931		236,000
TOTAL RECEIVABLES		5,574,595		5,170,767
Prepaid expenses.....		343,716		473,624
TOTAL CURRENT ASSETS		16,651,151		14,165,302
Operating lease right-of-use asset, net.....		-		588,272
Finance lease right-of-use asset, net.....		-		4,929
Certificates of deposit, less current portion.....		2,215,710		2,357,197
Property and equipment, net.....		756,366		793,878
Other.....		38,936		35,767
TOTAL ASSETS	\$	19,662,163	\$	17,945,345

LIABILITIES AND NET ASSETS

Current Liabilities:

Current portion of operating lease liability.....	\$	-	\$	589,332
Current portion of finance lease liability.....		-		5,010
Accounts payable and accrued expenses.....		3,049,125		623,639
Accrued payroll and compensated absences.....		818,433		1,024,348
Current portion due to third party payors.....		73,848		229,090
Refundable advances.....		5,482		6,037
TOTAL CURRENT LIABILITIES		3,946,888		2,477,456
Due to third party payors, net of current portion.....		725,214		729,107
TOTAL LIABILITIES		4,672,102		3,206,563
Net Assets:				
Without donor restrictions.....		13,876,891		13,781,349
With donor restrictions.....		1,113,170		957,433
TOTAL NET ASSETS		14,990,061		14,738,782
TOTAL LIABILITIES AND NET ASSETS	\$	19,662,163	\$	17,945,345

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Patient services revenue (net of contractual allowances discounts and provisions for bad debts).....	\$ 7,152,284	\$ -	\$ 7,152,284
Contracted services.....	10,351,665	-	10,351,665
Grant and program support.....	4,150,781	679,663	4,830,444
Gains on investments, net.....	389,681	-	389,681
Interest and dividend income, net.....	249,835	-	249,835
Net assets released from restriction	284,709	(284,709)	-
TOTAL REVENUE AND SUPPORT	22,578,955	394,954	22,973,909
FUNCTIONAL EXPENSES:			
Program services.....	20,577,218	-	20,577,218
Management and general.....	2,984,842	-	2,984,842
Fundraising.....	322,206	-	322,206
TOTAL EXPENSES	23,884,266	-	23,884,266
NON OPERATING REVENUES			
Contributions and other (net of direct expenses \$19,946).....	1,161,636	-	1,161,636
Net assets released from restriction for property and equipment.....	239,217	(239,217)	-
TOTAL NON OPERATING REVENUES	1,400,853	(239,217)	1,161,636
CHANGE IN NET ASSETS	95,542	155,737	251,279
Net assets, beginning of year.....	13,781,349	957,433	14,738,782
Total net assets, end of year.....	<u>\$ 13,876,891</u>	<u>\$ 1,113,170</u>	<u>\$ 14,990,061</u>

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

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Patient services revenue (net of contractual allowances discounts and provisions for bad debts).....	\$ 7,713,928	\$ -	\$ 7,713,928
Contracted services.....	10,587,241	-	10,587,241
Grant and program support.....	4,525,770	549,708	5,075,478
Gains on investments, net.....	350,421	-	350,421
Interest and dividend income, net.....	234,058	-	234,058
Net assets released from restriction	362,515	(362,515)	-
TOTAL REVENUE AND SUPPORT	23,773,933	187,193	23,961,126
FUNCTIONAL EXPENSES:			
Program services.....	20,949,322	-	20,949,322
Management and general.....	2,717,521	-	2,717,521
Fundraising.....	350,448	-	350,448
TOTAL EXPENSES	24,017,291	-	24,017,291
NON OPERATING REVENUES			
Contributions and other (net of direct expenses \$29,946).....	1,065,045	-	1,065,045
Net assets released from restriction for property and equipment.....	165,116	(165,116)	-
TOTAL NON OPERATING REVENUES	1,230,161	(165,116)	1,065,045
CHANGE IN NET ASSETS	986,803	22,077	1,008,880
Net assets, beginning of year.....	12,794,546	935,356	13,729,902
Total net assets, end of year.....	<u>\$ 13,781,349</u>	<u>\$ 957,433</u>	<u>\$ 14,738,782</u>

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services			Supporting Services			Total Expenses
	Medical Services	Community Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries.....	\$ 6,136,238	\$ 7,290,246	\$ 13,426,484	\$ 1,497,753	\$ 84,667	\$ 1,582,420	\$ 15,008,904
Payroll taxes and fringe benefits.....	1,071,895	1,342,698	2,414,593	281,707	14,580	296,287	2,710,880
Rent.....	1,146,947	1,087,706	2,234,653	93,112	29,563	122,675	2,357,328
Computer and telephone services.....	245,426	399,485	644,911	170,450	278	170,728	815,639
Consultant fees.....	3,317	38,073	41,390	487,707	73,807	561,514	602,904
Contract services.....	69,659	149,551	219,210	310,231	10,566	320,797	540,007
Insurance.....	161,712	211,811	373,523	22,137	-	22,137	395,660
Medical billing services.....	222,806	56,142	278,948	-	-	-	278,948
Medical supplies.....	214,545	631	215,176	176	-	176	215,352
Miscellaneous.....	18,447	80,727	99,174	21,518	71,734	93,252	192,426
Hearing aids.....	167,848	1,892	169,740	29	-	29	169,769
Employee travel.....	163	54,883	55,046	2,217	-	2,217	57,263
Training and development.....	6,028	38,676	44,704	8,059	50	8,109	52,813
Office supplies.....	14,639	26,664	41,303	-	6,515	6,515	47,818
Legal fees.....	-	-	-	21,737	25,364	47,101	47,101
Payroll fees.....	15,765	19,489	35,254	3,017	250	3,267	38,521
Membership fees.....	2,423	23,363	25,786	8,613	185	8,798	34,584
Repairs and maintenance.....	9,301	1,824	11,125	12,626	-	12,626	23,751
Copier expense.....	10,413	7,982	18,395	4,687	-	4,687	23,082
Technical services.....	1,920	19,632	21,552	280	-	280	21,832
Bank and credit card fees.....	-	32	32	6,834	4,472	11,306	11,338
Special event expense.....	-	-	-	-	-	-	-
Bad debt expense.....	-	-	-	-	-	-	-
TOTAL EXPENSES BEFORE DEPRECIATION	9,519,492	10,851,507	20,370,999	2,952,890	322,031	3,274,921	23,645,920
Depreciation and amortization.....	149,805	56,414	206,219	31,952	175	32,127	238,346
TOTAL EXPENSES	\$ 9,669,297	\$ 10,907,921	\$ 20,577,218	\$ 2,984,842	\$ 322,206	\$ 3,307,048	\$ 23,884,266

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

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services			Supporting Services			Total Expenses
	Medical Services	Community Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries.....	\$ 5,742,799	\$ 7,444,999	\$ 13,187,798	\$ 1,343,734	\$ 97,047	\$ 1,440,781	\$ 14,628,579
Payroll taxes and fringe benefits.....	1,015,278	1,294,755	2,310,033	201,120	11,818	212,938	2,522,971
Rent.....	1,146,947	1,087,706	2,234,653	93,112	29,563	122,675	2,357,328
Computer and telephone services.....	255,519	419,080	674,599	53,062	1,731	54,793	729,392
Consultant fees.....	3,773	63,945	67,718	492,013	124,498	616,511	684,229
Contract services.....	79,587	240,271	319,858	319,001	2,726	321,727	641,585
Insurance.....	181,096	227,832	408,928	26,819	-	26,819	435,747
Medical billing services.....	242,545	17,831	260,376	-	-	-	260,376
Medical supplies.....	232,765	1,640	234,405	-	-	-	234,405
Miscellaneous.....	54,345	117,403	171,748	8,153	18,167	26,320	198,068
Hearing aids.....	163,877	-	163,877	-	-	-	163,877
Employee travel.....	-	50,652	50,652	1,168	-	1,168	51,820
Training and development.....	2,981	46,082	49,063	4,803	244	5,047	54,110
Office supplies.....	30,135	84,556	114,691	23,064	4,150	27,214	141,905
Legal fees.....	-	1,849	1,849	8,704	40,045	48,749	50,598
Payroll fees.....	25,324	33,857	59,181	4,881	462	5,343	64,524
Membership fees.....	13,812	22,288	36,100	51,670	2,165	53,835	89,935
Repairs and maintenance.....	23,623	13,581	37,204	8,511	-	8,511	45,715
Copier expense.....	-	-	-	-	-	-	-
Technical services.....	1,968	23,250	25,218	-	-	-	25,218
Bank and credit card fees.....	-	122	122	36,708	818	37,526	37,648
Special event expense.....	-	-	-	-	16,850	16,850	16,850
Bad debt expense.....	258,750	82,567	341,317	-	-	-	341,317
TOTAL EXPENSES BEFORE DEPRECIATION	9,475,124	11,274,266	20,749,390	2,676,523	350,284	3,026,807	23,776,197
Depreciation and amortization.....	142,790	57,142	199,932	40,998	164	41,162	241,094
TOTAL EXPENSES	\$ 9,617,914	\$ 11,331,408	\$ 20,949,322	\$ 2,717,521	\$ 350,448	\$ 3,067,969	\$ 24,017,291

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

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31,

2025

2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets.....	\$ 251,279	\$ 1,008,880
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Adjustments to reconcile change in net assets to net cash

provided by operating activities:

Depreciation and amortization.....	238,346	241,094
Net realized gains on investments.....	(213,590)	(198,875)
Net unrealized gains on investments.....	(176,091)	(151,546)
Noncash operating lease expense.....	588,272	2,334,094
Amortization of finance leases.....	4,929	14,786

Changes in operating assets and liabilities:

Accounts receivable and accrued revenues.....	(403,828)	(422,302)
Prepaid expenses.....	129,908	(113,627)
Operating lease liability payments.....	-	(2,334,094)
Accounts payable and accrued expenses.....	1,837,214	45,815
Accrued payroll and compensated absences.....	(205,915)	19,700
Due to third party payors.....	(159,135)	500
Other assets.....	(3,168)	5,856
Refundable advances.....	(555)	(2,000)

NET CASH PROVIDED BY OPERATING ACTIVITIES	1,887,666	448,281
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CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sales of investments.....	1,598,433	1,320,867
Purchase of investments, including reinvested interest.....	(1,690,842)	(1,381,866)
Purchase of certificates of deposit, including reinvested interest.....	(125,180)	(136,298)
Purchase of property and equipment.....	(200,834)	(254,286)

NET CASH USED IN INVESTING ACTIVITIES	(418,423)	(451,583)
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CASH FLOWS USED IN FINANCING ACTIVITIES:

Payments on finance lease liability.....	(5,016)	(14,924)
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Net change in cash.....	1,464,227	(18,226)
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Cash, beginning of year.....	3,223,559	3,241,785
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Cash, end of year.....	<u>\$ 4,687,786</u>	<u>\$ 3,223,559</u>
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NON CASH TRANSACTIONS:

Conversion of lease liability to accounts payable.....	\$ 588,272	\$ -
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WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 1 - DESCRIPTION OF ORGANIZATION

Westchester Institute for Human Development (hereinafter the "Organization") creates better futures for people with disabilities, for vulnerable children, and for their families and caregivers. As one of only 67 University Centers for Excellence in Developmental Disabilities, the Organization focuses on health care, early intervention, community-based services, inclusive and meaningful education, transition from school to work, employment, housing and assistive technology.

The Organization operates a diagnostic and treatment center in Valhalla, New York, certified pursuant to Article 28 of the New York State Public Health Law. The diagnostic and treatment center offers a wide range of medical services to individuals with intellectual and developmental disabilities. The Organization provides a wide variety of programs and services to individuals, families and professionals throughout Westchester County and the Lower Hudson Valley through contracts with various third parties, state and local agencies. Services include early intervention service coordination, supports for children in foster care, programs for children who have been victims of abuse, and a variety of supports and services to enable individuals with disabilities and their families to have the tools necessary to make informed choices and decisions about their own lives. The Organization is guided by a vision of a future in which all people, including people with disabilities and vulnerable children, live healthy and productive lives as full members of society.

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC"). Operations are supported primarily by revenues from provision of services and government grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Organization, as defined above, is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, who is responsible for the integrity and objectivity of the financial statements.

Basis of Presentation and Use of Estimates: The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. The allowance for doubtful accounts is a significant estimate used in the preparation of the accompanying financial statements. These financial statements have been prepared on the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when incurred.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Statement Presentation: The Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

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-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service. 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.

Cash and Cash Equivalents: The Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents, with the exception of cash invested in certain money market funds, which are classified as investments for financial statement purposes. The Organization had no cash equivalents on December 31, 2025, and 2024.

Certificates of deposit: Certificates of deposit are stated at cost plus accrued interest and are subject to similar risks as noted in cash and mature through various dates from January 2026 through July 2028. Certificates of deposit that mature in less than 1 year from the financial statement report date are classified as current assets on the statement of financial position.

Investments: The Organization's investments, which are comprised of both debt and equity securities, are stated at fair value. Equity securities are classified as investments with readily determinable fair values. Debt securities are classified as other-than-trading securities. Total unrealized gains on investments held as of December 31, 2025 and 2024, was \$176,091 and \$151,546, respectively.

Realized gains and losses are computed based on the specific identification method for the securities sold. The net realized gains on investments for the year ended December 31, 2025 and 2024 was \$213,590 and \$198,875, respectively. The combined net gain reported on the accompanying statements of activities is \$389,681 and \$350,421 for the years ended December 31, 2025 and 2024, respectively.

The Organization's investments are maintained in a professionally managed portfolio and are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term would materially affect investment balances and the amounts reported in the financial statements.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization evaluates its debt securities for other-than-temporary impairment on an ongoing basis. A decline in the fair value of an other-than-trading security below cost that is deemed to be other than temporary results in a new cost basis for the security which is equivalent to its fair value. In evaluating other-than-temporary impairment, the Organization considers its intent and ability to hold the investment until recovery and other relevant factors. During the years ended December 31, 2025, and 2024 there was no such impairment.

Medical and contract accounts receivables: Medical and contract accounts receivables are stated at the amount the Organization expects to collect.

The Organization provides for probable uncollectible amounts through a charge to bad debt expense and a credit to the allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after the Organization has used reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and a credit to receivables. The Organization does not obtain collateral for amounts due.

On December 31, 2025, approximately 26% and 45% of the Organization's medical accounts receivables are due from the state of New York Medicaid and Federal Medicare programs, respectively. On December 31, 2025, approximately 53% of contract receivables were derived through contracts with Westchester County, New York. On December 31, 2024 approximately 22% and 48% of the Organization's medical accounts receivable are due from the state of New York Medicaid and Federal Medicare programs, respectively. On December 31, 2024, approximately 47% of contract receivables were derived through contracts with Westchester County, New York.

At December 31, 2025 and 2024, net medical and contract receivables were \$3,083,502 and \$3,601,525, respectively.

The Organization evaluates expected credit losses on receivables in accordance with Accounting Standards Codification ("ASC") 326 and records an allowance for credit losses when necessary. Management determined the allowance was not material as of December 31, 2025 and 2024.

Property and Equipment: Property and equipment are stated at cost, less accumulated depreciation. The Organization capitalizes individual assets with a cost greater than \$1,000 and a useful life of more than one year. Capital purchases made with grantor funds are capitalized in accordance with grant stipulations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Useful lives range from three to fifteen years.

The Organization evaluates long-lived assets held and used for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss is recognized if the sum of the expected undiscounted future cash flows from the use and disposition of the asset is less than its carrying amount. Generally, the amount of impairment loss is measured as the difference between the carrying amount of the asset and the estimated fair value of the asset. The Organization evaluated operations for the year ended December 31, 2025 and 2024 and determined no assets are impaired.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases: In accordance with ASC Topic 842, for all operating and finance leases, the Organization recognized a right-of-use ("ROU") asset and a lease liability at the commencement date. The lease liability was calculated based on the present value of the lease payments not yet paid, discounted using an appropriate discount rate at the commencement date. The ROU asset will initially be equal to the lease liability plus any initial direct costs and prepaid lease payments less any lease incentives received.

Under this approach, amortization of ROU assets is charged to lease expense, which is recorded on the straight-line basis over the term of each lease, unless another systematic and rational basis is more representative of the time pattern in which use benefit is derived from the leased property, in which case that basis will be used.

The lease liability for an operating and finance lease at any given time is calculated as the present value of the lease payments not yet paid, discounted by using the rate that was established on the lease commencement date.

The ROU asset, at any given time, is measured as the ROU asset balance at the beginning of the period, adjusted by the current-period ROU asset amortization, which is calculated as the current-period lease cost adjusted by the lease liability accretion to the then outstanding lease balance.

Changes in present value discount on operating leases are charged to the respective lease expense based upon the nature of the ROU asset that gave rise to the discount.

The Organization had an operating lease agreement for their office space that expired on March 31, 2025. Subsequent to lease expiration, the Organization continued to occupy the space during 2025 while negotiating a new lease agreement. In the absence of an enforceable lease, rent expense incurred during this period was recorded as month-to-month rent expense and is expensed as incurred in accordance with ASC 842. Accordingly, no ROU asset or lease liability was recognized as of December 31, 2025. The Organization determines if an arrangement is a lease at the inception of the contract. At the lease commencement date, each lease is evaluated to determine whether it will be classified as an operating or finance lease. For leases with a lease term of 12 months or less (a "short-term" lease), any fixed lease payments are recognized as paid over such term and are not recognized on the statement of financial position.

The lease term includes the non-cancellable portion of the underlying lease along with any reasonably certain lease periods associated with available renewal periods, termination options, and purchase options. The Organization uses the risk-free discount rate when the rate implicit in the lease is not readily determinable at the commencement date in determining the present value of lease payments. The lease agreement does not contain any material residual value guarantees or material restrictive covenants.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The components of the operating lease expense are as follows:

	2025	2024
Amortization of ROU Asset	\$ 588,272	\$ 2,334,094
Lease Liability Accretion	1,060	23,234
Month-to-Month Lease Expense.....	1,767,996	-
Total Lease Expense	\$ 2,357,328	\$ 2,357,328

The components of the finance lease expense are as follows:

	2025	2024
Amortization of ROU Asset	\$ 4,929	\$ 14,786
Lease Liability Accretion	7	130
Total Lease Expense	\$ 4,936	\$ 14,916

See Note 8 for additional details on these leases.

Due to third party payors: Due to third party payors represents estimated amounts received for patient services in excess of billing and the estimated effect of potential retrospective rate adjustments.

Performance indicator: In the accompanying statements of activities and changes in net assets, the primary indicator of the Organization's results is the "*change in net assets from operations.*" As such, it includes all operating support and revenue and operating expenses. Contributions and other, forgiveness of debt, and releases of net assets with donor restrictions for property and equipment purchases are included as a component of "*nonoperating revenues*" in the statements of activities and changes in net assets.

Patient revenue:

Revenue recognition

Revenue is measured based on estimated net realizable amounts from patients, third-party payors, and others for services rendered. The Organization recognizes revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. The majority of the Organization's revenue originates from contracts with customers to provide various medical and social services to individuals with disabilities and at-risk children and adults. The majority of the Organization's services are treated as a single performance obligation that is satisfied over time as the services are rendered. The Organization's standard payment terms are within 30 days from billing.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organization determines the transaction price based on contractually agreed upon rates, adjusted for estimates of variable consideration, such as implicit price concessions. Variable consideration also exists as the Organization’s third-party revenue is paid principally at prospectively determined rates. Reimbursements received by payor reimbursement programs under the provisions of applicable reimbursement formulas or negotiated rates in effect, which cover substantially all payors, generally results in the amount received being less than the Organization’s established billing rates. Revenue is recorded at the agreed upon rates established on a contractual basis with these programs.

Federal and state regulations provide for certain retrospective adjustments to current and prior year's payment rates based on industry-wide and Organization-specific data. In addition, amounts previously paid to the Organization are subject to review and adjustment. The Organization has estimated the potential impact of such retrospective adjustments based on information presently available. Any differences between estimated retrospective adjustments and subsequent revisions will be reflected in the statement of activities and changes in net assets in the year that revisions are calculated.

Disaggregation of revenues

The Organization provides health, human, and social services to adults and children with developmental disabilities, and their families, who have third-party financial coverage (principally New York Medicaid) in Westchester County, New York and surrounding communities. Therefore, the Organization’s viability is dependent on a number of factors such as the volume of individuals served, rates of reimbursement, changes to Medicaid and other third-party programs, and the Organization’s ability to collect on its contracts. All of the Organization’s patient and contract service revenue for financial reporting purposes are recorded over time as the services are rendered.

Disaggregation of net patient service revenue by service type and payer was as follows for the years ended December 31,:

	2025		2024	
	Amount	Percentage	Amount	Percentage
Medicaid.....	\$ 5,475,052	76%	\$ 5,750,496	74%
Medicare.....	939,814	13%	1,104,993	14%
Insurance.....	714,275	10%	823,069	11%
Self-pay.....	23,143	1%	35,370	1%
Total	<u>\$ 7,152,284</u>	100%	<u>\$ 7,713,928</u>	100%

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation for which action for noncompliance includes fines, penalties, and exclusion from the Medicare and Medicaid programs. The Organization believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contracted service revenue:

Revenue recognition

Contracted service revenue is also derived from cost-reimbursable federal and state 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 or provided the related services in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or providing the related services are reported as refundable advances in the statement of financial position.

Disaggregation of revenues

For the years ended December 31, 2025 and 2024 approximately 36% and 33%, respectively, of contracted service revenue was derived through contracts with Westchester County, New York. For the years ended December 31, 2025 and 2024 approximately 24% and 27%, respectively, of contracted service revenue was derived from early intervention services. The remaining portion of the contracted service revenue is derived from contracts with local school districts and medical centers.

Contracted services are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds or awarding of contracts. Any liability for reimbursement which might arise out of these audits is not considered by the Organization to be material.

Grants and contribution revenue:

Revenue recognition

Grant and contribution revenue consists of gifts from private donors and foundations. Revenue is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of net assets with donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from donor restrictions.

Contributions of cash and other assets are presented as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give, that is, those that contain a measurable performance-related or other barrier and a right of return of assets transferred or a right of release of the promisor's obligation, are not recognized until the conditions on which they depend are substantially met.

Grants and contributions received with donor-imposed or grantor-imposed restrictions that are fulfilled in the same year as received are reported as support without donor restrictions.

Grants and contributions of assets other than cash are reported at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of potential defaults. No allowance was deemed necessary as of December 31, 2025 and 2024.

Functional allocation of expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries	Time and effort
Payroll taxes and fringe benefits	Time and effort
Payroll fees	Time and effort
Rent.....	Square footage
Consultant fees	Time, effort, and usage
Contract services	Time, effort, and usage
Insurance	Time, effort, and usage
Computer and telephone services	Time, effort, and usage
Depreciation.....	Square footage

Income taxes: The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. As a not-for-profit entity, the Organization is subject to unrelated business income tax ("UBIT"), if applicable. In accordance with Financial Accounting Standards Board ("FASB") ASC 740, Income Taxes, the Organization applies the "more likely than not" threshold to the recognition and derecognition of tax positions for its financial statements. Management has evaluated the Organization's tax positions and has concluded that there were no uncertain tax positions that qualified for either recognition or disclosure in these financial statements.

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 3 - LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets available within one year for general expenditures at December 31,:

	2025	2024
Cash	\$ 4,687,786	\$ 3,223,559
Certificates of deposit	731,672	465,003
Investments	5,313,382	4,832,349
Receivables, net of allowance for doubtful accounts	5,574,595	5,170,767
Total financial assets available within one year.....	16,307,435	13,691,678
Less: Net assets with donor restrictions	(1,113,170)	(957,433)
Total financial assets available within one year for general expenditures	\$ 15,194,265	\$ 12,734,245

The Organization's goal is generally to maintain financial assets to meet ninety days of operating expenses (approximately \$5,894,190 and \$5,922,072 for the years ended December 31, 2025 and 2024, respectively). With board approval, as part of the Organization's liquidity management, the Organization invests its cash in excess of quarterly requirements in marketable securities and certificates of deposit. In addition to the above amounts, the Organization also has a line of credit of \$4,500,000 that matures in July of 2026 (Note 7).

NOTE 4 - INVESTMENTS

Fair value measurements: FASB ASC 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Under the standard, fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date.

Assets measured at fair value are based on one or more of the following valuation techniques:

- (a) *Market approach*: Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- (b) *Cost approach*: Amount that would be required to replace the service capacity of an asset (replacement cost); and
- (c) *Income approach*: Techniques to convert future amounts to single present amount based on market expectations (including present value techniques, option- pricing and excess earnings models).

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 4 - INVESTMENTS (continued)

The three levels of the fair value hierarchy are described as follows:

- Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and, inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following tables present the fair value measurements of assets and liabilities recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2025 and 2024:

	Assets at Fair Value as of December 31, 2025				Valuation Technique
	Level 1	Level 2	Level 3	Total	
Money market funds	\$ 107,172	\$ -	\$ -	\$ 107,172	(a)
Fixed income bonds					
A rated	-	1,173,083	-	1,173,083	(a)
BBB rated.....	-	781,531	-	781,531	(a)
Other	-	-	-	-	(a)
Total fixed income bonds	-	1,954,614	-	1,954,614	
Equity securities					
Information technology	857,228	-	-	857,228	(a)
Health care	320,803	-	-	320,803	(a)
Other	1,772,739	-	-	1,772,739	(a)
Total equity securities	2,950,771	-	-	2,950,771	
Alternatives					
Cash and cash equivalents ..	29,908	-	-	29,908	(a)
Private credit investment.....	-	-	89,352	89,352	(a)
Private asset investment	-	-	181,565	181,565	(a)
Total alternatives	29,908	-	270,917	300,825	
Total investments.....	\$ 3,087,850	\$ 1,954,614	\$ 270,917	\$ 5,313,382	

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 4 - INVESTMENTS (continued)

	Assets at Fair Value as of December 31, 2024				Valuation Technique
	Level 1	Level 2	Level 3	Total	
Money market funds	\$ 46,054	\$ -	\$ -	\$ 46,054	(a)
Fixed income bonds					
A rated.....	-	961,215	-	961,215	(a)
BBB rated.....	-	803,016	-	803,016	(a)
Other.....	-	120,310	-	120,310	(a)
Total fixed income bonds	-	1,884,541	-	1,884,541	
Equity securities					
Information technology	303,524	-	-	303,524	(a)
Health care.....	766,931	-	-	766,931	(a)
Other.....	1,831,299	-	-	1,831,299	(a)
Total equity securities	2,901,754	-	-	2,901,754	
Alternatives					
Cash and cash equivalents ..	-	-	-	-	(a)
Private credit investment.....	-	-	-	-	(a)
Private asset investment	-	-	-	-	(a)
Total alternatives	-	-	-	-	
Total investments.....	\$ 2,947,808	\$ 1,884,541	\$ -	\$ 4,832,349	

Money market funds and equity securities owned by the Organization and listed on a national securities exchange are valued using quoted market prices in active markets as of the financial statement reporting date and are classified as Level 1 inputs within the fair value hierarchy.

Fixed income securities are valued using pricing models that maximize the use of observable inputs, including yields currently available for comparable securities of issuers with similar credit ratings, and are classified as Level 2 inputs.

Alternative investments consist of cash equivalents, private credit investments, and private asset investments. Cash equivalents are classified as Level 1 inputs, while private credit and private asset investments are classified as Level 3 inputs due to the use of significant unobservable inputs in determining fair value. There were no transfers between Levels 1, 2, and 3 of the fair value hierarchy during 2025 and 2024.

Investment fees for the years ended December 31, 2025 and 2024, totaled \$18,203 and \$18,144, respectively, and are netted against interest and dividend income on the statements of activities and changes in net assets.

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 4 - INVESTMENTS (continued)

Investments include certificates of deposit with varying maturities. As of December 31, 2025, the Organization held short-term certificates of deposit totaling \$731,672 and long-term certificates of deposit totaling \$2,215,708. As of December 31, 2024, the Organization held short-term certificates of deposit totaling \$465,003 and long-term certificates of deposit totaling \$2,357,197. Certificates of deposit are considered Level 2 investments within the fair value hierarchy.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31,:

	2025	2024
Furniture and office equipment	\$ 297,773	\$ 297,773
Computer equipment and software	3,595,050	3,547,667
Medical equipment	1,313,550	1,254,549
Dental vans.....	486,532	375,420
Transportation equipment	32,493	32,493
Leasehold improvements	587,922	587,922
Total cost.....	6,313,320	6,095,824
Less: accumulated depreciation	(5,669,682)	(5,431,384)
Property and equipment, net.....	643,638	664,440
Work in process	112,728	129,438
Total.....	<u>\$ 756,366</u>	<u>\$ 793,878</u>

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes for the years ended December 31,:

	2025	2024
Adult Health Equipment.....	\$ 475,000	\$ 475,000
Individuals with intellectual and developmental disabilities	47,864	25,700
Mobile Clinic Van.....	106,618	207,844
Disability Roadmap Film project	137,594	41,702
Capital Campaign	333,894	194,493
Children with Autism Spectrum Disorder	12,200	12,694
Total net assets with donor restriction	<u>\$ 1,113,170</u>	<u>\$ 957,433</u>

WESTCHESTER INSTITUTE FOR HUMAN DEVELOPMENT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS (continued)

Net assets with donor restrictions were released from donor restrictions by satisfying the following restricted purpose during the years ended December 31,:

	<u>2025</u>	<u>2024</u>
Mobile Clinic Van.....	\$ 101,226	\$ 57,036
Disability Roadmap Film project	-	57,215
Individuals with intellectual and developmental disabilities	276,336	272,800
Children with Autism Spectrum Disorder	494	32,500
Capital Campaign	145,870	108,080
Total net assets with donor restriction	<u>\$ 523,926</u>	<u>\$ 527,631</u>

NOTE 7 - LINE OF CREDIT

The Organization maintains a revolving line of credit with a financial institution in an authorized amount of up to \$4,500,000. The line is a demand obligation and bears interest at a variable rate equal to the prime rate minus 0.75%, subject to a stated floor. The interest rate in effect as of December 31, 2025 and 2024 was 6.00% and 6.75%, respectively.

The line of credit was most recently extended, with the current maturity defined as the earlier of demand by the lender or July 30, 2026. A portion of the line, up to \$3,000,000, is reserved to support an irrevocable standby letter of credit issued on behalf of the Organization in favor of a third party, which also expires on July 30, 2026.

The line is collateralized by a security interest in the Organization's accounts receivable, inventory, and equipment.

There were no outstanding borrowings on the line of credit as of December 31, 2025 or 2024.

NOTE 8 - LEASES

In conjunction with its lease agreement, the Organization obtained an irrevocable standby letter of credit in the amount of \$3,000,000 to secure performance under the lease. The letter of credit is intended to provide coverage to the beneficiary in the event the Organization fails to meet its lease obligations.

The letter of credit expires on July 30, 2026, and is subject to automatic annual renewal unless the issuing bank provides timely notice of nonrenewal. The letter of credit is intended to provide coverage to the beneficiary in the event the Organization fails to meet its lease obligations.

As described in Note 2, the Organization adopted ASC 842 as of January 1, 2022.

Finance lease

The Organization leased office equipment under a finance lease with monthly payments of approximately \$1,254, which expired in April 2025. As of December 31, 2025, the related right-of-use asset and lease liability were fully amortized, and no finance lease obligations remained outstanding.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 8 - LEASES (continued)

Operating lease

The Organization previously leased office and medical space under a long-term operating lease agreement with the County of Westchester, New York, which expired on March 31, 2025. Upon expiration of the lease, the Organization derecognized the related right-of-use asset and lease liability in accordance with ASC 842.

Subsequent to lease expiration, the Organization continued to occupy the space during 2025 while negotiating a new lease agreement. As no executed or otherwise enforceable lease agreement existed as of December 31, 2025, amounts related to continued occupancy were recorded as rent expense and accrued as incurred. The Organization did not make any rental payments during 2025, either for the period from January through March while the lease was in effect or the period thereafter when the lease was no longer in place. As a result, total rent in arrears of \$2,357,328 has been recorded within accounts payable and accrued expenses within the statement of financial position.

On March 31, 2026, subsequent to year end, the Organization executed a new lease agreement for the space. The execution of the lease represents a nonrecognized subsequent event, as the agreement was not enforceable as of December 31, 2025. Accordingly, no right-of-use asset or lease liability was recorded in the accompanying 2025 financial statements related to this agreement. The lease, which was executed in April 2026, extends through December 31, 2026 and qualifies as a short-term lease under ASC 842. The agreement also includes a provision allowing the Organization to terminate the lease upon sixty (60) days written notice.

Lease commitments

In April 2024, the Organization entered into an agreement for a new facility; however, the lease commencement date is contingent upon the start of construction and had not occurred as of December 31, 2025. Accordingly, no right-of-use asset or lease liability has been recognized related to this arrangement as of year-end

Rent expense for property leases was \$2,357,328 for the years ended December 31, 2025 and 2024.

NOTE 9 - RETIREMENT PLAN

The Organization has a 403(b) plan that covers all employees except specifically excluded hourly employees. Eligible employees must attain the age of 21 and work 1,000 service hours during the plan year to qualify for employer contributions of 3% of eligible compensation. Contributions to the Plan charged to operations were \$315,445 and \$267,463 for 2025 and 2024, respectively.

NOTE 10 - UNCERTAINTIES

Legal

The Organization is currently, and from time to time, subject to claims and suits arising in the ordinary course of its business. The Organization maintains insurance, and in most instances any potential liability would be limited to policy deductibles. In certain actions, plaintiffs may request punitive or other damages or nonmonetary relief, which may not be covered by insurance. The Organization accrues for any potential liabilities as they become known and can be reasonably estimated. However, no assurance can be given as to the ultimate outcome with respect to such claims and litigation.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

NOTE 10 - UNCERTAINTIES (continued)

Government audits and other potential amounts due to third party payors

As of December 31, 2024, the Organization recorded a reserve of \$867,200 related to New York State Office of the Medicaid Inspector General (“OMIG”) audit matters. This reserve included management’s estimate of potential liability related to dental claims based on preliminary audit findings, as well as potential exposure for similar claims for service periods not covered by a finalized audit.

In February 2025, the Organization received a final audit determination from OMIG related to a dental audit covering claims from prior years. The final determination resulted in an amount due of approximately \$229,097, which was recouped by OMIG during 2025 through reductions in Medicaid payments.

As of December 31, 2025, the remaining reserve of \$638,103 is included in due to third parties and represents management’s estimate of potential exposure related to OMIG audits that have not yet been finalized. Management believes this reserve reflects probable and reasonably estimable liabilities based on information currently available.

Management has elected to maintain the remaining reserve as OMIG audits are ongoing in nature and may extend to additional service periods or service areas. In addition, in June 2025, the Organization received notification of a new OMIG Medicaid audit covering Diagnostic and Treatment Center services for the period January 1, 2021 through December 31, 2022. No findings or determinations have been issued as of the date of these financial statements.

Concentration of credit risk

The Organization maintains cash and investments in several bank and securities accounts that are insured by the Federal Deposit Insurance Corporation (“FDIC”) and the Securities Investor Protection Corporation (“SIPC”). From time to time, the Organization may have cash on deposits and investments with financial institutions that are in excess of the FDIC limit and SIPC limits.

NOTE 11 - SUBSEQUENT EVENTS

The Organization has evaluated events and transactions that occurred between January 1, 2026 and May 26, 2026, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

As discussed in Note 8, on March 31, 2026, subsequent to year end, the Organization executed an amendment to its existing sublease agreement extending the term through December 31, 2026. As the amendment was not enforceable as of December 31, 2025, no right-of-use asset or lease liability was recorded in the accompanying 2025 financial statements.