STATE OF NEW HAMPSHIRE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION FOR BEHAVIORAL HEALTH

Lori A. Weaver
Commissioner

Katja S. Fox
Director

129 PLEASANT STREET, CONCORD, NH 03301
603-271-9544 1-800-852-3345 Ext. 9544
Fax: 603-271-4332 TDD Access: 1-800-735-2964 www.dhhs.nh.gov

August 12, 2026

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Health and Human Services, Division for Behavioral Health, to amend an existing contract with Granite Pathways (VC #228900-B001), Concord, NH, to continue to provide Vocational Training and Employment Support Programs for Individuals with opioid and stimulant use disorders by exercising a contract renewal option by increasing the price limitation by $695,893 from $412,788 to $1,108,681 and extending the completion date from September 29, 2026 to September 29, 2027, effective upon Governor and Council approval. 100% Federal Funds.

The original contract was approved by Governor and Council on April 23, 2025, item #18A.

Funds are available in the following account for State Fiscal Year 2027, and are anticipated to be available in State Fiscal Year 2028, upon the availability and continued appropriation of funds in the future operating budget, with the authority to adjust budget line items within the price limitation and encumbrances between state fiscal years through the Budget Office, if needed and justified.

05-95-92-920510-70400000 HEALTH AND SOCIAL SERVICES, HEALTH AND HUMAN SVCS, DEPT, HHS: BEHAVIORAL HEALTH DIV, BUREAU OF DRUG AND ALCOHOL SERVICES, SOR GRANT

State Fiscal Year	Class / Account	Class Title	Job Number	Current Budget	Increased (Decreased) Amount	Revised Budget
2026	074-500589	Welfare Assistance	92057070	$84,010	$0	$84,010
2026	074-500589	Welfare Assistance	92057076	$246,246	$0	$246,246
2027	074-500589	Welfare Assistance	92057076	$82,532	$0	$82,532
2027	074-500589	Welfare Assistance	92057078	$0	$50,000	$50,000
2027	074-500589	Welfare Assistance	92057072	$0	$63,423	$63,423
2027	074-500589	Welfare Assistance	TBD	$0	$436,515	$436,515

2028	074-500589	Welfare Assistance	TBD	$0	$145,955	145,955
			Total	**$412,788**	**$695,893**	**$1,108,681**

EXPLANATION

The purpose of this request is to exercise an available contract renewal option for the Contractor to continue supporting individuals in treatment and recovery from opioid and/or stimulant use disorders to regain stability and wellness and gain economic self-sufficiency through a vocational training and employment support program.

Approximately 80 individuals will be served through September 29, 2027.

The Contractor provides and/or connects, vocational training and employment supports services to individuals who are receiving treatment or recovery support services for opioid and/or stimulant use disorders and who are unemployed, underemployed, or seeking to make a career transition. The Contractor determines service needs for each program participant by conducting comprehensive vocational assessments to determine strengths, skills, competencies, and employment readiness; and assessment of internal and external resources that can support the individual to maintain recovery from substance use disorders. The Contractor provides basic job readiness and job training; resume, communication, and time management skills; financial literacy workshops; application and interview preparation; job retention approaches; and connections to employment resources. The Contractor will continue to build and foster employer relationships, coordinating with the Recovery Friendly Workforce Initiative, to continue engaging with local businesses and identify employment opportunities. Additionally, the Contractor will provide specific supports to individuals 16 to 24 years of age who are in recovery facing unique barriers to the workforce.

The Department will continue monitoring services through review and assessment of monthly reports required of the Contractor and routine meetings with the Department to review contract deliverables, enhance contract management, improve results, and adjust program delivery and policy based on successful outcomes.

As referenced in Exhibit A, Revisions to Standard Agreement Provisions, of the original agreement, the parties have the option to extend the agreement for up to four (4) additional years, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and Governor and Council approval. The Department is exercising its option to renew services for one (1) year of the four (4) years available.

Should the Governor and Council not authorize this request, individuals with opioid and/or stimulant use disorders who are engaged in treatment or recovery supports services and are unemployed or underemployed may not receive services to assist them regain stability, wellness, and economic self-sufficiency.

Area served: Hillsborough, Rockingham, and Strafford Counties.

Source of Federal Funds: Assistance Listing Number #93.788, FAIN #H79TI087843.

Respectfully submitted,

For:

Lori A. Weaver
Commissioner

State of New Hampshire
Department of Health and Human Services
Amendment #1

This Amendment to the Vocational Training and Employment Support Programs for Individuals with Opioid and/or Stimulant Use Disorder contract is by and between the State of New Hampshire, Department of Health and Human Services ("State" or "Department") and Granite Pathways ("the Contractor").

WHEREAS, pursuant to an agreement (the "Contract") approved by the Governor and Executive Council on April 23, 2025 (Item #18A), the Contractor agreed to perform certain services based upon the terms and conditions specified in the Contract and in consideration of certain sums specified; and

WHEREAS, pursuant to Form P-37, General Provisions, the Contract may be amended upon written agreement of the parties and approval from the Governor and Executive Council; and

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and conditions contained in the Contract and set forth herein, the parties hereto agree to amend as follows:

1. Form P-37 General Provisions, Block 1.7., Completion Date, to read:

   September 29, 2027

2. Form P-37, General Provisions, Block 1.8., Price Limitation, to read:

   $1,108,681

3. Modify Exhibit A, Revisions to Standard Agreement Provisions, by replacing it in its entirety with Exhibit A – Amendment #1, Revisions to Standard Agreement Provisions, which is attached hereto and incorporated by reference herein.

4. Modify Exhibit B, Scope of Services; Section 1.1.1.3., to read:

   1.1.1.3. SAMHSA Unified Performance Reporting Tool (SUPRT).

5. Modify Exhibit B, Scope of Services; Section 1.18.1.1., to read:

   1.18.1.1. SUPRT interviews.

6. Modify Exhibit B, Scope of Services, by adding Section 1.18.5., to read:

   1.18.5 Facilitate housing placements:

   1.18.5.1. Expand access to recovery housing for young adults 18-24 years of age, when applicable;

   1.18.5.2. Provide dedicated care coordinators to assist in navigating various service sectors; and

   1.18.5.3. Provide recovery support services including recovery coaching, vocational training, employment support, transportation, childcare, and other recovery supports.

7. Modify Exhibit B, Scope of Services; Section 1.28., to read:

   1.28. SAMHSA Unified Performance Reporting Tool (SUPRT)

   1.28.1. The Contractor must administer or coordinate the completion of SUPRT A and C baseline tool entries and associated re-assessments at six (6) months, one year, and discharge for all individuals receiving program services.

   1.28.2. The Contractor must provide individuals served with clear guidance about the uses and disclosures of the information provided to complete the SUPRT, the tools required to complete the SUPRT-C, and the use and disclosure of the Part 2 information or other PHI required in order to complete the SUPRT. The Contractor must also provide staff training regarding the confidentiality of the identifiable information included in the SUPRT.

1.28.3. The Contractor must ensure the SUPRT reporting tools are attempted at a minimum of the following intervals:

1.28.3.1. Baseline: Within 30 days of initial grant-covered service;

1.28.3.2. Six Month Re-assessment: Six months post baseline. The window for this tool entry opens five (5) months after the baseline tool entry and closes seven (7) months after the baseline for individuals still receiving services;

1.28.3.3. Annual Re-Assessment: One year post baseline. The window for this tool entry opens eleven (11) months after the baseline tool entry and closes thirteen (13) months after the baseline for individuals still receiving services; and

1.28.3.4. Closeout: Upon discharge from the initially referred service.

1.28.4. The Contractor must ensure completed SUPRT data is entered into the Department-approved system, at a minimum of the following intervals:

1.28.4.1. Baseline: Within 30 days of initial grant-covered service;

1.28.4.2. Six Month Re-assessment: Six months post baseline. The window for this tool entry opens five (5) months after the baseline tool entry and closes seven (7) months after the baseline for individuals still receiving services;

1.28.4.3. Annual Re-Assessment: One year post baseline. The window for this tool entry opens eleven (11) months after the baseline tool entry and closes thirteen (13) months after the baseline for individuals still receiving services; and

1.28.4.4. Closeout: Upon discharge from the initially referred service. The Contractor must document any loss of contact with participants in the Department-approved system using the appropriate process and protocols as defined by SAMHSA and through technical assistance provided under the SOR grant.

8. Modify Exhibit B, Scope of Services; Section 1.29.8., to read:

1.29.8. The Contractor must collaborate with the Department and other SOR funded vendors as requested and directed by the Department to improve SUPRT data collection.

9. Modify Exhibit B, Scope of Services; Section 1.30.3.9., to read:

1.30.3.9. Updates on the number of individuals receiving SUPRT interviews, including six (6) month and discharge interviews

10. Modify Exhibit C, Payment Terms; Section 1.3., to read:

1.3 Payment shall be on a cost reimbursement basis for actual allowable expenditures incurred under this Agreement, and shall be in accordance with the approved line items, as specified in Exhibit C-1 Budget, Amendment #1 through Exhibit C-3 Budget, Amendment #1.

11. Modify Exhibit C, Payment Terms; Section 1., to read:

1. This Agreement is funded by:

1.1. 100% Federal funds, State Opioid Response (SOR), awarded by the DHHS Substance Abuse and Mental Health Services Administration (SAMHSA), as awarded on September 24, 2024 and September 23, 2025; ALN 93.788; FAIN H79TI087843.

12. Modify Exhibit C-1 Budget, by replacing it in its entirety with Exhibit C-1 Budget, Amendment #1, which is attached hereto and incorporated by reference herein.
13. Add Exhibit C-2 Budget, Amendment #1, which is attached hereto and incorporated by reference herein.
14. Add Exhibit C-3, Budget, Amendment #1, which is attached hereto and incorporated by reference herein.

All terms and conditions of the Contract not modified by this Amendment remain in full force and effect. This Amendment shall be effective upon Governor and Council approval.

IN WITNESS WHEREOF, the parties have set their hands as of the date written below,

State of New Hampshire
Department of Health and Human Services

8/7/2026
Date

Katja S. Fox
Name: Katja S.Fox
Title: Director

Granite Pathways

8/7/2026
Date

Signed by:
Kenneth Brezenoff
7D7901CD281C4CF...
Name: Kenneth Brezenoff
Title: General Counsel & Managing Director

The preceding Amendment, having been reviewed by this office, is approved as to form, substance, and execution.

OFFICE OF THE ATTORNEY GENERAL

8/7/2026
____
Date

DocuSigned by:
Robyn Guarino
748734844941460...
____
Name: Robyn Guarino
Title: Attorney

I hereby certify that the foregoing Amendment was approved by the Governor and Executive Council of the State of New Hampshire at the Meeting on: ________________ (date of meeting)

OFFICE OF THE SECRETARY OF STATE

____
Date

____
Name:
Title:

New Hampshire Department of Health and Human Services
Vocational Training and Employment Support Programs for Individuals with Opioid and/or Stimulant Use Disorders

EXHIBIT A – Amendment #1

Revisions to Standard Agreement Provisions

1. Revisions to Form P-37, General Provisions

   1.1. Paragraph 3, Subparagraph 3.1., Effective Date/Completion of Services, is amended as follows:

      3.1. Notwithstanding any provision of this Agreement to the contrary, and subject to the approval of the Governor and Executive Council of the State of New Hampshire, this Agreement, and all obligations of the parties hereunder, shall become effective on July 1, 2025 ("Effective Date").

   1.2. Paragraph 3, Effective Date/Completion of Services, is amended by deleting subparagraph 3.3., in its entirety and replacing it as follows:

      3.3. Contractor must complete all Services by the Completion Date specified in block 1.7. The parties may extend the Agreement for up to four (4) additional years from the Completion Date, contingent upon satisfactory delivery of services, available funding, agreement of the parties, and approval of the Governor and Executive Council.

   1.3. Paragraph 6, Compliance by Contractor with Laws and Regulations/Equal Employment Opportunity, Subparagraph 6.1., is amended as follows:

      6.1. In connection with the performance of the Services, the Contractor shall comply with all applicable statutes, laws, regulations, and orders of federal, state, county or municipal authorities which impose any obligation or duty upon the Contractor, including, but not limited to, RSA 151:21 Patients' Bill of Rights, civil rights and equal employment opportunity laws, and the Governor's order on Respect and Civility in the Workplace, Executive Order 2020-01. In addition, if this Agreement is funded in any part by monies of the United States, the Contractor shall comply with all federal executive orders, rules, regulations and statutes, and with any rules, regulations and guidelines as the State or the United States issue to implement these regulations. The Contractor shall also comply with all applicable intellectual property laws.

   1.4. Paragraph 12, Assignment/Delegation/Subcontracts, is amended by adding subparagraph 12.5., as follows:

      12.5. Subcontractors are subject to the same contractual conditions as the Contractor and the Contractor is responsible to ensure subcontractor compliance with those conditions. The Contractor shall have written agreements with all subcontractors, specifying the work to be performed, and if applicable, a Business Associate Agreement in accordance with the Health Insurance Portability and Accountability Act.

Written agreements shall specify how corrective action shall be managed. The Contractor shall manage the subcontractor's performance on an ongoing basis and take corrective action as necessary. The Contractor shall annually provide the State with a list of all subcontractors provided for under this Agreement and notify the State of any inadequate subcontractor performance.

New Hampshire Department of Health and Human Services	
Contractor Name:	*Granite Pathways*
Budget Request for:	*Vocational Training and Employment Support Programs for Individuals with Opioid and/or Stimulant Use Disorders*
Budget Period:	*7/1/25-9/29/26*
Indirect Cost Rate (if applicable)	15.00%

Line Item	**Program Cost - Funded by DHHS 7/1/25 - 9/29/25**	**Program Cost - Funded by DHHS 9/30/25-6/30/26**	**Program Cost - Funded by DHHS 7/1/26-9/29/26**
1. Salary & Wages	$40,744	$122,230	$85,000
2. Fringe Benefits	$13,853	$41,558	$29,750
3. Consultants	$375	$1,125	$750
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	$1,600	$0	$0
5.(a) Supplies - Educational	$0	$0	$0
5.(b) Supplies - Lab	$0	$0	$0
5.(c) Supplies - Pharmacy	$0	$0	$0
5.(d) Supplies - Medical	$50	$150	$0
5.(e) Supplies - Office	$50	$150	$50
6. Travel	$125	$375	$325
7. Software	$2,500	$7,500	$4,167
8. (a) Other - Marketing/Communications	$0	$0	$0
8. (b) Other - Education and Training	$0	$0	$0
8. (c) Other - Other (specify below) General Liability Insurance	$0	$0	$3,400
Direct Client Assistance - Transportation	$0	$500	$1,925
Direct Client Assistance - Clothing	$1,250	$3,750	$300
Direct Client Assistance - GPRA Gift Cards	$636	$1,913	$0
Direct Client Assistance - Education and employment supplies and training costs for clients	$1,250	$3,750	$1,250
9. Subrecipient Contracts	$0	$0	$0
Total Direct Costs	$62,433	$183,001	$126,918
Total Indirect Costs	$21,577	$63,245	$19,038
Subtotals	$84,010	$246,246	$145,955
		TOTAL	**$476,211**

Initial
kB

Contractor Initials: ________

Date: 8/7/2026

New Hampshire Department of Health and Human Services	
Contractor Name:	Granite Pathways
Budget Request for:	Vocational Training and Employment Support Programs for Individuals with Opioid and/or Stimulant Use Disorders - Youth Supplemental
Budget Period	G&C approval - 9/29/26
Indirect Cost Rate (if applicable)	0.15

Line Item	Program Cost - Funded by DHHS
1. Salary & Wages	$30,062
2. Fringe Benefits	$10,522
3. Consultants	$150
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	$0
5.(a) Supplies - Educational	$0
5.(b) Supplies - Lab	$0
5.(c) Supplies - Pharmacy	$0
5.(d) Supplies - Medical	$0
5.(e) Supplies Office	$0
6. Travel	$596
7. Software	$437
8. (a) Other - Marketing/ Communications	$0
8. (b) Other - Education and Training	$0
8. (c) Other - Other (specify below)	$0
Direct Client Assistance and Activities	$1,712
Other (please specify)	$0
Other (please specify)	$0
Other (please specify)	$0
9. Subrecipient Contracts	$0
Total Direct Costs	$43,478
Total Indirect Costs	$6,522
TOTAL	$50,000

Initial

Contractor Initials: kB

Date: 8/7/2026

New Hampshire Department of Health and Human Services		
Contractor Name:	*Granite Pathways*	
Budget Request for:	*Vocational Training and Employment Support Programs for Individuals with Opioid and/or Stimulant Use Disorders*	
Budget Period:	*9/30/26 - 9/29/27*	
Indirect Cost Rate (if applicable)	15.00%	

Line Item	Program Cost - Funded by DHHS - 9/30/26 - 6/30/27	Program Cost - Funded by DHHS - 7/1/27 - 9/29/27
1. Salary & Wages	$251,000	$83,667
2. Fringe Benefits	$87,850	$29,283
3. Consultants	$3,750	$1,250
4. Equipment Indirect cost rate cannot be applied to equipment costs per 2 CFR 200.1 and Appendix IV to 2 CFR 200.	$0	$0
5.(a) Supplies - Educational	$0	$0
5.(b) Supplies - Lab	$0	$0
5.(c) Supplies - Pharmacy	$0	$0
5.(d) Supplies - Medical	$0	$0
5.(e) Supplies - Office	$1,390	$463
6. Travel	$1,500	$665
7. Software	$15,290	$5,097
8. (a) Other - Marketing/Communications	$0	$0
8. (b) Other - Education and Training	$0	$0
8. (c) Other - Other (specify below) General Liability Insurance	$10,040	$3,347
Other- DCA Transportation	$4,000	$1,559
Education	$2,444	$815
Youth outreach and engagement activities and events	$2,315	$772
Other (please specify)	$0	$0
Other (please specify)	$0	$0
Other (please specify)	$0	$0
Other (please specify)	$0	$0
9. Subrecipient Contracts	$0	$0
Total Direct Costs	$379,578	$126,917
Total Indirect Costs	$56,937	$19,038
Subtotals	$436,515	$145,955
	TOTAL	**$582,470**

Initial

Contractor Initials: kB

Date: 8/7/2026

State of New Hampshire
Department of State

CERTIFICATE

I, David M. Scanlan, Secretary of State of the State of New Hampshire, do hereby certify that GRANITE PATHWAYS is a New Hampshire Nonprofit Corporation registered to transact business in New Hampshire on May 08, 2009. I further certify that all fees and documents required by the Secretary of State's office have been received and is in good standing as far as this office is concerned.

Business ID: **613581**
Certificate Number: **0007985365**

IN TESTIMONY WHEREOF,
I hereto set my hand and cause to be affixed
the Seal of the State of New Hampshire,
this 22nd day of July A.D. 2026.

David M. Scanlan
Secretary of State

CERTIFICATE OF AUTHORITY

I, _____Nick Brattan____, hereby certify that:
(Name of the elected Officer of the Corporation/LLC; cannot be contract signatory)

1. I am a duly elected Clerk/Secretary/Officer of ___Granite Pathways________________________________.
(Corporation/LLC Name)

2. The following is a true copy of a vote taken at a meeting of the Board of Directors/shareholders, duly called and held on ________ 7/21/2026 _________, 20_ 7/21/2026 ___, at which a quorum of the Directors/shareholders were present and voting.
(Date)

VOTED: That _Kenneth Brezenoff Managing Director and General Counsel______ (may list more than one person)
(Name and Title of Contract Signatory)

is duly authorized on behalf of __Granite Pathways_________ to enter into contracts or agreements with the State
(Name of Corporation/ LLC)

of New Hampshire and any of its agencies or departments and further is authorized to execute any and all documents, agreements and other instruments, and any amendments, revisions, or modifications thereto, which may in his/her judgment be desirable or necessary to effect the purpose of this vote.

3. I hereby certify that said vote has not been amended or repealed and remains in full force and effect as of the date of the contract/contract amendment to which this certificate is attached. This authority was **valid thirty (30) days prior to and remains valid for thirty (30)** days from the date of this Certificate of Authority. I further certify that it is understood that the State of New Hampshire will rely on this certificate as evidence that the person(s) listed above currently occupy the position(s) indicated and that they have full authority to bind the corporation. To the extent that there are any limits on the authority of any listed individual to bind the corporation in contracts with the State of New Hampshire, all such limitations are expressly stated herein.

Dated: 7/21/2026

Signed by:
Nick Brattan
2912286838F745E...
Signature of Elected Officer
Name: Nick Brattan
Title: Chair of the Granite Pathways Board

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/09/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT
USI Insurance Services LLC 6 International Dr, Suite 205 Rye Brook, NY 10573 914 459-6200	CONTACT NAME: Faith Keegan PHONE (A/C, No, Ext): 914 459-6200 FAX (A/C, No): 610 537-4220 E-MAIL ADDRESS: Faith.Keegan@usi.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Berkshire Hathaway Specialty Ins Co.	22276
INSURER B : Illinois Union Insurance Company	27960
INSURER C : AmTrust Insurance Company	15954
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Granite Pathways
633 3rd Avenue, 6th Floor
New York, NY 10017-6943

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			47SPK25564210	09/30/2025	09/30/2026	EACH OCCURRENCE	$1,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
							MED EXP (Any one person)	$25,000
							PERSONAL & ADV INJURY	$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$3,000,000
	POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$3,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY			47RWS14808211	09/30/2025	09/30/2026	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	X ANY AUTO			All Other States			BODILY INJURY (Per person)	$
A	OWNED AUTOS ONLY / SCHEDULED AUTOS			47SMA14808011	09/30/2025	09/30/2026	BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY			MA Only			PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB X OCCUR			47SUM14808311	09/30/2025	09/30/2026	EACH OCCURRENCE	$10,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$10,000,000
B	DED X RETENTION $10,000			XFLG47492075002	09/30/2025	09/30/2026	See Below	$EXC $5MX$10M
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N			KWC1425608	12/08/2025	12/08/2026	X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? N	N / A					E.L. EACH ACCIDENT	$1,000,000
	(Mandatory in NH)						E.L. DISEASE - EA EMPLOYEE	$1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - POLICY LIMIT	$1,000,000
A	Professional Liab			47SPK25564210	09/30/2025	09/30/2026	$1M Per Occ / $3M Agg	
A	Sexual Abus/Moles			47SPK25564210	09/30/2025	09/30/2026	$1M Per Occ / $3M Agg	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

** Excess Liability Information **
Carrier B: Policy # XFLG47492075002
Eff Date: 09/30/2025 Exp Date: 09/30/2026
Excess Liability Each Occ Limit: $5,000,000
Excess Liability Aggregate Limit: $5,000,000
(See Attached Descriptions)

CERTIFICATE HOLDER	CANCELLATION
State of New Hampshire,Department of Health and Human Services 129 Pleasant Street Concord, NH 03301-0000	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Ulle Scott

NONPROFIT COVER SHEET

A. Entity Name: Granite Pathways, Signatory, Kenneth Brezenoff

B. Entity's Contact Information: 305 Massabesic St. Unit 5 Manchester, NH 03103

For Records Requests (e.g., resumes of key personnel; audited financial statements):

Name / Phone / Email: Lori Hebert / 603-724-4606 / lhebert@granitepathways.org

Person responsible for Accuracy and Completeness of information provided:

Name: Kenneth Brezenoff Title: General Counsel

Signature: Signed by: Kenneth Brezenoff 7D7901CD281C4CF...

C. List Board of Directors and Affiliations

Name (Identify any additional role(s) in Parentheses) E.g., John Doe (President)	Affiliations
Nick Brattan (Chair)	Retired- business owner
Lynne Westaway (Treasurer)	Retired- accountant
William Rider	Retired- CEO Mental Health Center of Manchester
James Sweeney, PHD	Private Practice Counseling
Peter Burke	St. Joseph Hospital Senior Behavioral Health Unit
Cassandra Durand	Director, Mental Health Center of Manchester
Patrick Long	Attorney
Kate Turcotte	Professor, MSW program at Colby Sawyer College
Gregory Hammond	Behavioral Health professional, CRSW, Seacoast Mental Health

D. List Key Personnel (Resumes must be available upon request to the person(s) listed in section B or may be attached)**:**

Name	Role	Annual Salary	Amount Paid From This Contract
Whitney Brown	Program Director	63,252.00	31,626.00

DISCLOSURE OF LEGAL ACTIVITIES INVOLVING THE STATE OF NEW HAMPSHIRE OR ANOTHER GOVERNMENT ENTITY

E. Check one of the following:

[X] The entity is **not currently or has not been** party to any legal proceeding involving the State of New Hampshire (or any agency or subdivision thereof) or any other state/federal government entity before any adjudicative body in any jurisdiction **OR**

[ ] The entity is or has been party to one or more legal proceedings as set forth above. Identify the jurisdiction, court or other adjudicative body, case number, and briefly describe the nature of the proceeding (Attached extra sheet if necessary).

____

____

____

CHARITABLE TRUSTS UNIT COMPLIANCE CERTIFICATION

F. Check one of the following:

[X] is registered and in good standing with the New Hampshire Department of Justice Charitable Trusts Unit (** see note below) **or** has submitted a complete application for registration to the Charitable Trusts Unit and is awaiting a registration determination **OR**

[ ] is not required to register with the Charitable Trusts Unit because it is neither tax-exempt under section 501(c)(3) of the Internal Revenue Code nor engages in charitable solicitations in the State of New Hampshire **OR**

[ ] is exempt from registration with the Charitable Trusts Unit because it is a federal or state government, agency, or subdivision or is a religious organization, an integrated auxiliary of a religious organization, or is a convention or association of churches.

** Note: Attached screen shot from the DOJ Registered Charities List found at:

https://mm.nh.gov/files/uploads/doj/remote-docs/registered-charities.pdf

18185	Granite Pathways	60 Rogers StreetManchester, NH 03103	Manchester	NH	03103	G	8/15/2026

FINANCIAL DISCLOSURES

G. Check one the following:

[X] The organization hired an outside firm to audit its financial statements or to prepare GAAP-compliant financial statements for its most recently completed fiscal year. If so, please ensure that the financial statements and audit results are available to be requested from the contact listed on Page 1 (audited financials may be attached) **OR**

[ ] The above does not apply, but the organization filed an IRS Form 990 or Form 990-EZ for its most recently completed fiscal year. Please attach that IRS Form 990 or Form 990-EZ to the submission. (Form 990 Schedule B is not required) **OR**

[ ] ***If neither of the above apply***, complete the Income Statement and Balance Sheet below with the following basic financial information from the organization's most recently completed fiscal year:

1. INCOME STATEMENT

Revenue		Expenses	
Grants	$	*Compensation of officers, directors, and key personnel*	$
Donations	$	*Other salaries & wages*	$
Program Services Revenue	$	*Payroll taxes & employee benefits*	$
Interest & Dividends	$	*Occupancy, rent, utilities, and insurance*	$
All other Revenue	$	*Printing, publications, postage, office supplies, and IT*	$
Total Revenue	$	*All other expenses*	$
		Total Expenses	$

2. BALANCE SHEET

Assets	
Cash & Equivalents	$
Investments	$
Real Estate (less any depreciation)	$
Other Property & Equipment (less any depreciation)	$
Pledges, grants, accounts receivable	$
All other assets	$
Total Assets	$

Liabilities	
Accounts Payable	$
Loans Payable	$
All other liabilities	$
Total Liabilities	$

Granite Pathways Mission

Granite Pathways creates opportunities for individuals and families to achieve health and socioeconomic well-being, through a holistic approach.

Consolidated Financial Statements and Supplementary Information Together with Report of Independent Certified Public Accountants

The FEDCAP Group

September 30, 2025 and 2024

Contents

GRANT THORNTON LLP
757 Third Ave., 9th Floor
New York, NY 10017

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
The FEDCAP Group

Opinion

We have audited the consolidated financial statements of The FEDCAP Group and subsidiaries (collectively, “FEDCAP”), which comprise the consolidated statements of financial position as of September 30, 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 accompanying consolidated financial statements present fairly, in all material respects, the financial position of FEDCAP as of September 30, 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 of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FEDCAP 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 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 FEDCAP’s ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditor's responsibilities for the audit of the 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 auditor's 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 US 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 consolidated financial statements.

In performing an audit in accordance with US GAAS, 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 FEDCAP'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 FEDCAP'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.

GrantThornton

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

New York, New York
February 25, 2026

The FEDCAP Group

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30,

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 34,915,259	$ 33,009,429
Accounts receivable (net of allowance for credit losses of approximately $4,986,000 in 2025 and $4,119,000 in 2024)	62,499,171	64,591,006
Current portion of contributed space receivable	2,677,161	2,677,161
Contributions and grants receivable (net of allowance for uncollectible contributions of approximately $250,000)	3,745,317	3,263,809
Inventories, net	570,112	268,491
Prepaid expenses and other assets	13,693,732	14,309,339
Total current assets	118,100,752	118,119,235
Investments	14,679,817	11,942,655
Property, plant and equipment, net	79,788,585	80,911,738
Operating lease right-of-use assets	80,477,674	82,714,494
Finance lease right-of-use assets	64,584,992	67,543,511
Contributed space receivable, net	37,618,209	40,295,370
Beneficial interest in trusts	5,618,494	5,469,768
Other assets	917,605	982,157
Goodwill, net	100,002	140,000
Total assets	$ 401,886,130	$ 408,118,928
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	$ 40,593,271	$ 51,455,168
Deferred revenues	9,705,641	11,089,217
Advances from government agency	40,206	1,994,103
Current portion of finance lease liabilities	1,855,208	1,778,617
Current portion of operating lease liabilities	8,211,515	10,280,832
Current portion of notes payable	6,091,875	3,483,264
Total current liabilities	66,497,716	80,081,201
Notes payable, net of current portion	36,563,976	28,872,984
Revolving loans	20,779,439	31,303,482
Finance lease liabilities, net of current portion	76,606,669	78,201,434
Operating lease liabilities, net of current portion	81,296,059	78,074,139
Other liabilities	17,010,363	12,791,887
Total liabilities	298,754,222	309,325,127
Contingencies		
Net assets		
Without donor restrictions	53,293,447	46,370,137
Without donor restrictions - non-controlling interest	898,819	854,531
With donor restrictions	48,939,642	51,569,133
Total net assets	103,131,908	98,793,801
Total liabilities and net assets	$ 401,886,130	$ 408,118,928

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

The FEDCAP Group

CONSOLIDATED STATEMENTS OF ACTIVITIES

Years ended September 30,

	2025			2024		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Operating revenues						
Contract services and products	$ 140,997,839	$ -	$ 140,997,839	$ 129,694,562	$ -	$ 129,694,562
Rehabilitation and vocational programs	232,807,117	-	232,807,117	224,640,022	-	224,640,022
Contribution and grant revenues	10,997,707	10,090	11,007,797	19,238,160	-	19,238,160
Inherent contribution	72,002	-	72,002	1,050,381	-	1,050,381
Employee retention credits	12,719,345	-	12,719,345	-	-	-
Realized and unrealized gains on investments	1,285,550	148,725	1,434,275	2,059,319	898,257	2,957,576
Interest income	2,687,561	2,768	2,690,329	483,128	4,847	487,975
Miscellaneous revenue	1,511,229	-	1,511,229	583,074	-	583,074
Net assets released from restrictions	2,791,074	(2,791,074)	-	4,793,961	(4,793,961)	-
Total operating revenues	405,869,424	(2,629,491)	403,239,933	382,542,607	(3,890,857)	378,651,750
Operating expenses						
Program services						
Contract services and products	125,902,680	-	125,902,680	116,360,920	-	116,360,920
Rehabilitation and vocational programs	213,552,268	-	213,552,268	199,950,160	-	199,950,160
	339,454,948	-	339,454,948	316,311,080	-	316,311,080
Supporting services						
Management and general	56,205,556	-	56,205,556	56,227,404	-	56,227,404
Development	2,956,652	-	2,956,652	3,299,685	-	3,299,685
	59,162,208	-	59,162,208	59,527,089	-	59,527,089
Total operating expenses	398,617,156	-	398,617,156	375,838,169	-	375,838,169
Change in net assets from operations	7,252,268	(2,629,491)	4,622,777	6,704,438	(3,890,857)	2,813,581
Nonoperating activities						
Dividends paid to shareholder	(209,956)	-	(209,956)	-	-	-
Foreign exchange transaction losses	(74,714)	-	(74,714)	(574,198)	-	(574,198)
Change in net assets from nonoperating activities	(284,670)	-	(284,670)	(574,198)	-	(574,198)
CHANGE IN NET ASSETS	6,967,598	(2,629,491)	4,338,107	6,130,240	(3,890,857)	2,239,383
Net assets at beginning of period	47,224,668	51,569,133	98,793,801	41,094,428	55,459,990	96,554,418
Net assets at end of period	$ 54,192,266	$ 48,939,642	$ 103,131,908	$ 47,224,668	$ 51,569,133	$ 98,793,801

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

The FEDCAP Group

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2025

	Program Services			Supporting Services			
	Contract Services and Products	Rehabilitation and Vocational Programs	Total	Management and General	Development	Total	Total Expenses
Salaries and related expenses	$ 90,799,092	$ 103,993,102	$ 194,792,194	$ 13,435,474	$ 1,277,700	$ 14,713,174	$ 209,505,368
Professional fees	1,225,732	38,844,726	40,070,458	6,447,628	977,519	7,425,147	47,495,605
Professional development and evaluation	24,569	3,713,942	3,738,511	498,641	41,230	539,871	4,278,382
Materials and supplies	5,003,341	5,080,888	10,084,229	320,416	2,323	322,739	10,406,968
Commissions	3,069,493	-	3,069,493	-	-	-	3,069,493
Telephone	116,138	578,876	695,014	615,987	3,732	619,719	1,314,733
Postage and shipping	241,149	94,159	335,308	126,493	4,239	130,732	466,040
Insurance	1,801,081	1,852,517	3,653,598	1,491,624	27,507	1,519,131	5,172,729
Occupancy costs	928,738	26,175,938	27,104,676	5,726,023	64,443	5,790,466	32,895,142
Equipment rental and maintenance	1,331,178	373,760	1,704,938	341,893	45,177	387,070	2,092,008
Equipment purchases	320,005	486,476	806,481	108,739	-	108,739	915,220
Client transportation and travel	410,083	2,768,082	3,178,165	876,984	135,914	1,012,898	4,191,063
Subscription and printing	249,831	296,693	546,524	1,023,848	25,357	1,049,205	1,595,729
Technology	354,616	2,987,041	3,341,657	5,900,516	47,424	5,947,940	9,289,597
Interest expense	34,797	845,455	880,252	6,248,182	-	6,248,182	7,128,434
Bank charges and processing fees	69,839	172,924	242,763	1,393,792	27,557	1,421,349	1,664,112
Bad debt provision	-	1,017,471	1,017,471	-	-	-	1,017,471
Subcontractor expense	14,005,104	15,604,591	29,609,695	810,039	1,185	811,224	30,420,919
Stipends	3,257,238	2,920,632	6,177,870	585,957	99,526	685,483	6,863,353
Security guard expense	22,231	448,769	471,000	19,714	-	19,714	490,714
Participant assistance	2,752	1,128,923	1,131,675	80,648	5,801	86,449	1,218,124
Event expense	8,566	1,177,579	1,186,145	54,581	65,396	119,977	1,306,122
Other	2,300,464	632,222	2,932,686	3,886,263	99,025	3,985,288	6,917,974
Total expenses before depreciation and amortization	125,576,037	211,194,766	336,770,803	49,993,442	2,951,055	52,944,497	389,715,300
Depreciation and amortization	326,643	2,357,502	2,684,145	6,212,114	5,597	6,217,711	8,901,856
Total expenses	$ 125,902,680	$ 213,552,268	$ 339,454,948	$ 56,205,556	$ 2,956,652	$ 59,162,208	$ 398,617,156

The accompanying notes are an integral part of this consolidated financial statement.

The FEDCAP Group

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2024

	Program Services			Supporting Services			
	Contract Services and Products	Rehabilitation and Vocational Programs	Total	Management and General	Development	Total	Total Expenses
Salaries and related expenses	$ 87,603,848	$ 96,488,893	$ 184,092,741	$ 15,835,737	$ 1,220,750	$ 17,056,487	$ 201,149,228
Professional fees	335,795	34,968,924	35,304,719	4,455,810	827,934	5,283,744	40,588,463
Professional development and evaluation	17,593	3,063,029	3,080,622	502,661	92,179	594,840	3,675,462
Materials and supplies	4,888,797	4,220,979	9,109,776	303,618	3,353	306,971	9,416,747
Commissions	3,042,337	-	3,042,337	-	-	-	3,042,337
Telephone	102,846	615,465	718,311	601,185	2,877	604,062	1,322,373
Postage and shipping	140,703	100,608	241,311	112,506	11,343	123,849	365,160
Insurance	1,848,088	1,852,043	3,700,131	131,990	25,221	157,211	3,857,342
Occupancy costs	906,595	24,373,445	25,280,040	8,828,034	67,949	8,895,983	34,176,023
Equipment rental and maintenance	958,696	339,480	1,298,176	328,211	19,401	347,612	1,645,788
Equipment purchases	282,920	198,897	481,817	89,807	-	89,807	571,624
Client transportation and travel	439,790	2,465,005	2,904,795	845,965	104,383	950,348	3,855,143
Subscription and printing	57,729	373,335	431,064	967,901	44,990	1,012,891	1,443,955
Technology	245,801	4,609,288	4,855,089	6,907,822	143,686	7,051,508	11,906,597
Interest expense	43,873	829,691	873,564	5,349,481	-	5,349,481	6,223,045
Bank charges and processing fees	74,341	69,791	144,132	1,165,325	29,720	1,195,045	1,339,177
Bad debt provision	-	568,844	568,844	-	-	-	568,844
Subcontractor expense	14,968,646	13,591,986	28,560,632	1,284,671	25	1,284,696	29,845,328
Stipends	108,613	5,487,889	5,596,502	548,748	101,917	650,665	6,247,167
Security guard expense	21,420	366,461	387,881	14,560	83	14,643	402,524
Administrative expense	-	-	-	166,161	-	166,161	166,161
Other	2,139	2,548,573	2,550,712	3,214,448	591,023	3,805,471	6,356,183
Total expenses before depreciation and amortization	116,090,570	197,132,626	313,223,196	51,654,641	3,286,834	54,941,475	368,164,671
Depreciation and amortization	270,350	2,817,534	3,087,884	4,572,763	12,851	4,585,614	7,673,498
Total expenses	$ 116,360,920	$ 199,950,160	$ 316,311,080	$ 56,227,404	$ 3,299,685	$ 59,527,089	$ 375,838,169

The accompanying notes are an integral part of this consolidated financial statement.

The FEDCAP Group

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended September 30,

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 4,338,107	$ 2,239,383
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,846,375	4,720,555
Amortization of goodwill	39,998	4,000
Bad debt provision	1,017,471	568,844
Realized and unrealized gains on investments	(1,434,275)	(2,957,576)
Contributed space	2,677,161	2,772,957
Inherent contribution	(72,002)	(1,050,381)
Lease amortization, net	4,247,448	3,556,063
Gain on sale of property and equipment	(475,820)	-
Acquisition of net liabilities	767,863	-
Dividend paid to shareholder	209,956	-
Changes in assets and liabilities:		
Accounts receivable	1,570,103	(5,532,960)
Contribution and grants receivable	(481,508)	(174,269)
Inventories	(301,621)	55,319
Prepaid expenses and other assets	495,992	1,858,040
Beneficial interest in trusts	(148,726)	(903,104)
Accounts payable and accrued liabilities	(11,646,404)	8,599,071
Deferred revenue	(1,887,165)	420,246
Other liabilities	3,917,155	(5,501,572)
Net cash provided by operating activities	8,680,108	8,674,616
Cash flows from investing activities:		
Purchase of investments	(1,186,918)	(275,395)
Proceeds from sales of investments	144,817	1,403,177
Proceeds from sales of property and equipment	1,106,566	-
Capital expenditures	(2,603,442)	(11,740,575)
Cash received in acquisitions	329,099	156,298
Cash paid for acquisitions	(404,649)	-
Net cash used in investing activities	(2,614,527)	(10,456,495)
Cash flows from financing activities:		
Change in advances from government agencies	(1,953,897)	1,953,897
Change in revolving loans	4,475,957	1,991,016
Proceeds from note payable	-	10,000,000
Repayment of notes payable	(4,700,397)	(2,981,725)
Repayment of finance lease obligations	(1,771,458)	(1,359,787)
Dividend paid to shareholder	(209,956)	-
Net cash (used in) provided by financing activities	(4,159,751)	9,603,401
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,905,830	7,821,522
Cash and cash equivalents:		
Beginning of year	33,009,429	25,187,907
End of year	$ 34,915,259	$ 33,009,429
Supplemental disclosure of cash flow information:		
Cash interest paid during the period	$ 7,128,434	$ 6,223,045
Supplemental disclosures of noncash financing activities:		
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ 4,350,652	$ 4,344,007
Finance lease right-of-use assets obtained in exchange for lease liabilities	$ 508,746	$ 712,475

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

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

The FEDCAP Group, Inc. (the “Parent”) is a private, nonprofit organization incorporated under the laws of the State of Delaware. The Parent is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”). The Parent or its subsidiaries are the sole member of the following affiliates: Fedcap, Inc (“Fed Inc.”), Fedcap Rehabilitation Services, Inc (“FRS”), Fedcap Investment Corporation (“Fed Inv"), Fedcap VR Technologies LLC (“Fed VR”), Wildcat Services Corporation (“Wildcat”), ReServe Elder Services, Inc. (“ReServe”), Community Workshops, Inc. (“CWS”), Easter Seals New York, Inc. (“ESNY”), Granite Pathways, Inc (“GP”), Easter Seals Rhode Island, Inc (“ESRI”), Seacoast Pathways, Inc. (“Seacoast”), Single Stop USA Inc. (“SGST”), Benevolent, MVLE, Easter Seals Central Texas (“ESCT”), Easter Seals North Texas (“ESNT”), Easter Seals Mississippi, Inc. (“ESMS”), Easter Seals South Dakota, Inc. (“ESSD”), Easter Seals Oklahoma, Inc. (“ESOK”), Easter Seals Maine, Inc. (“ESME”), Fedcap Apex Technical School Inc, Civic Hall Labs, Inc, New York Tech Alliance (“NYTA”), TACT Kids, Inc. (“TACT”), Fedcap NYC, Inc (“FED NYC)”, These Our Treasures, Inc. (“TOTS”), Runway of Dreams Foundation, Inc. (“Runway”), Gamut Management LLC (“Gamut”), Fedcap Canada, Fedcap UK, Kennedy Scott, Limited (“KS”), Fedcap Employment Limited (“FED”), Fedcap Employment Scotland Limited (“FES”), Start Scotland Limited (“SS”), The Verdancy Group LTD. (“TVG”), ELITE Supported Employment Agency LTD (“Elite”), and BP Learning UK. (“BPL”). The Parent and its subsidiaries are collectively referred to as “FEDCAP.”

FRS is a private, nonprofit organization incorporated under the laws of New York State. FRS is exempt from federal income taxes under Section 501(c)(3) of the IRC.

FRS was founded to provide a comprehensive range of vocational and related services to individuals with disabilities, and other work-related disadvantages, who face significant barriers to employment. FRS’s goal is to help each person achieve independence, integration into the community and full participation in the economic mainstream.

FRS provides contract services and products within custodial, homecare, office services, and industrial divisions. The primary customers in these divisions are federal, and New York State and City agencies and certified home health agencies.

As part of FRS’s rehabilitation and vocation programs, FRS provides vocational evaluations, training, and employment services and other government-funded employment and job search programs. Evaluations combine aptitude tests, computerized assessments, and vocational counseling. After evaluation, FRS offers training in mail clerk/messenger services, building/custodial services, culinary arts/food services, data entry, office skills, document imaging, hospitality operations, and security operations. FRS then seeks to employ individuals who have successfully completed FRS’s rehabilitation and vocational programs. FRS also offers the Chelton Loft, a voluntary clubhouse program for people with a history of serious mental illness. FRS also has a vocational education program and a licensed mental health program.

Wildcat is a nonprofit entity that is located in New York City and provides employment training, jobs placement and “supportive employment” opportunities for individuals with barriers to employment.

ReServe is a nonprofit entity located in New York City that matches continuing professionals age 55+ with organizations that need their expertise. ReServe provides direct services, administrative support, and capacity-building expertise in schools, social service agencies, cultural institutions, and public agencies.

CWS is a nonprofit corporation located in Boston, Massachusetts, whose mission is to help people who have barriers to work obtain employment and achieve greater self-sufficiency through job training, placement, and support services.

ESNY is a nonprofit entity whose purpose is to provide programs and services for people with disabilities, assistance to people with disabilities and their families, assistance to communities in developing necessary and appropriate resources for residents, and a climate of acceptance for people with disabilities which will enable them to contribute to the well-being of the community.

ESNY is the sole member of TOTS, a nonprofit entity whose purpose is to educate young children with developmental disabilities in an atmosphere that embraces and accommodates individual differences and helps children to achieve in the context of the larger classroom and school setting.

GP is a nonprofit entity whose mission is to provide services to empower and support adults with mental illness to pursue their personal goals through education, employment, stable housing, and meaningful relationships.

ESRI is a nonprofit entity whose purpose is to provide services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work and play in their communities.

Seacoast is a nonprofit entity whose mission is to support adults living with mental illness on their paths to recovery through the work-ordered day.

SGST is a nonprofit entity that provides coordinated services to holistically connect people to the resources they need to attain higher education, obtain good jobs, and achieve financial self-sufficiency.

Benevolent is a nonprofit entity that provides economic wellbeing to individuals and families in need, through non-government sources.

MVLE is a nonprofit entity that provides employment, support and rehabilitation services to individuals with disabilities in the Northern Virginia and Washington, D.C. area.

Fed Inc. was established as a private, nonprofit organizations under the laws of the State of Delaware. Fed Inc. was formed to provide workforce development opportunities for people who face barriers to economic well-being.

ESCT provides services to individuals with disabilities throughout the life cycle through outpatient medical rehabilitation, workforce development and community housing and integration programs in the Central Texas region.

ESNT provides services to individuals with disabilities throughout the life cycle through outpatient medical rehabilitation, workforce development and community housing and integration programs in the North Texas region.

Fedcap UK was established and was registered as a UK Charity. Fedcap UK was founded to allow for the advancement of social inclusion, by enabling economic independence, employment and opportunity to participate in society for socially and economically disadvantaged and disabled individuals through various workforce and economic development, educational and occupational health initiatives.

Fedcap UK acquired KS, a United Kingdom company. KS provides high quality job support, placement, retention and related services to people in the United Kingdom.

FED was established under the laws of the United Kingdom. FED delivers employability solutions across the United Kingdom to build communities through a blend of local frontline professional teams and like-minded supply chain partners. Fedcap UK is the sole corporate member of FED.

FES was established under the laws of Scotland in the United Kingdom. FES delivers employability solutions across Scotland to build communities through a blend of local frontline professional teams and like-minded supply chain partners. Fedcap UK is the sole corporate member of FES.

FES is the majority shareholder and the Lennox Partnership is the minority shareholder with 49% interest in SS. SS is a value-driven organization that strives to put its customers first, understanding their needs and closely engaging with them on a personal level to help them on their journey to employment and training.

Fedcap Apex Technical School, Inc. is a nonprofit entity that runs Apex Technical School (“Apex”), which is an adult vocational technical school and offers seven certificate courses designed to focus on basic trade skills and labor skills for its students.

Fedcap Canada was established as a not-for-profit organization according to the Canada Not-for-Profit Corporations Act. Fedcap Canada was founded to advance the economic and social well-being of the impoverished and disadvantaged by providing educational services, vocational rehabilitation, job training and job placement services.

Civic Hall Labs, Inc., is a not-for-profit entity that provides a learning and collaboration platform focused on advanced technology and problem-solving for the public good.

Civic Hall Labs, Inc. is the sole member of NYTA, an organization that supports the technology community and ecosystems in their hometown, with the goal of creating the most diverse, equitable and accessible tech ecosystems in the world.

ESMS, a Mississippi non-profit corporation, is an organization providing services to children and adults with disabilities or other special needs and their families.

ESSD, a South Dakota non-profit corporation, is an organization to help children and adults with disabilities or other special needs and their families and caregivers reach their maximum capabilities and secure opportunities for their education, training, and employment.

ESOK, an Oklahoma non-profit corporation, is an organization to provide services to ensure that all people with disabilities or special needs and their families have equal opportunities to live, learn, work, and play in their communities.

Fed Inv, a Delaware non-profit corporation, is a community development financial institution founded to serve economically distressed communities by providing credit, capital, and financial services that are often unavailable from mainstream financial institutions.

Fed VR, a joint venture between Fedcap, Inc. (as the majority shareholder) and UP360 US Holdings Corporation (minority shareholder with 49% interest), and provides virtual reality software, know-how and product development services for workforce training, development, and education.

TACT is a Denver, Colorado-based non-profit school dedicated to empowering individuals with autism through skilled trades education and employment.

Fedcap NYC is a non-profit organization that provides workforce development opportunities for people who face barriers to economic well-being. The individuals facing barriers to employment and economic well-being that Fedcap serves.

ESME is a Maine non-profit corporation that provides services to children and adults with disabilities or other special needs and their families.

During fiscal 2025, Fedcap Group acquired Runway, a not-profit foundation incorporated under the laws of Delaware, that promotes inclusion, acceptance, and opportunity for people with disabilities in the fashion and beauty industries by raising awareness, inspiring change, and advocating for adaptive clothing and universal design.

During fiscal 2025, Runway acquired Gamut, a for-profit limited liability company formed in New Jersey. Gamut is a management firm that provides consulting, talent representation, and accreditation services to companies seeking authentic, impactful engagement with the disability community.

During fiscal 2025, Fedcap UK acquired TVG, a Scotland-based limited company entity that provides sustainability training, environmental consulting, and green skills education for individuals, businesses, schools, and communities.

During fiscal 2025, Fedcap UK acquired Elite, a Welsh registered charity that helps disabled and disadvantaged people find, get, and keep jobs through personalized coaching, training, job development, and ongoing workplace support.

During fiscal 2025, Fedcap UK acquired BPL, a non-registered charity that is an alternative education provider using the internationally recognized Big Picture Learning model.

NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements of FEDCAP have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) using the accrual basis of accounting. All intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

FEDCAP classifies its net assets in the following categories:

<u>Net Assets without Donor Restrictions</u>

Net assets that are not subject to donor-imposed stipulations and are, therefore, available for the general operations of FEDCAP. Net assets without donor restrictions may also be designated for specific purposes by FEDCAP’s Board of Directors or may be limited by legal requirements or contractual agreements with outside parties.

Net assets without donor restrictions also includes the portion of net assets in a consolidated subsidiary owned by non-controlling investors and are reflected on the consolidated statements of financial position as net assets without donor restrictions - non-controlling interests.

<u>Net Assets with Donor Restrictions</u>

Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. Net assets with donor restrictions are subject to donor-imposed restrictions that require FEDCAP to use or expend the gifts as specified, based on purpose or passage of time. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported on the consolidated statements of activities as net assets released from restrictions.

Contributions with donor-imposed restrictions whose restrictions are met during the same fiscal year in which the contribution was recognized are presented as contribution revenues without donor restrictions on the consolidated statements of activities.

Net assets with donor restrictions also include the corpus of gifts, which must be maintained in perpetuity, but allow for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes in accordance with donor stipulations.

Changes in net assets without donor restrictions and the non-controlling interests in SS and Fed VR during the years ended September 30, 2025 and 2024 is summarized below:

	Total Without Donor Restrictions	Without Donor Restrictions	Non-Controlling Interest
Balance, September 30, 2023	$ 41,094,428	$ 40,444,915	$ 649,513
Change in net assets from operations	6,704,438	6,499,420	205,018
Change in net assets from nonoperating activities	(574,198)	(574,198)	-
Balance, September 30, 2024	47,224,668	46,370,137	854,531
Change in net assets from operations	7,252,268	7,207,980	44,288
Change in net assets from nonoperating activities	(284,670)	(284,670)	-
Balance, September 30, 2025	$ 54,192,266	$ 53,293,447	$ 898,819

Measure of Operations

The accompanying consolidated statements of activities report changes in net assets by operating and non-operating activities. Operating activities principally include all revenues and expenses that relate to FEDCAP's programs and supporting activities.

Non-operating activities include foreign currency exchange gains and losses and other items considered to be incidental to operations or non-recurring in nature.

Cash Equivalents and Restricted Cash

FEDCAP considers all highly liquid debt instruments with a maturity of three months or less at the date of purchase, including investments in short-term certificates of deposit and certain money market funds, to be cash equivalents. Cash and cash equivalents on the accompanying consolidated statements of financial position includes cash that is restricted under borrowing or other contractual arrangements amounting to $3,835,676 and $7,422,219 as of September 30, 2025 and 2024, respectively.

Revenue Recognition

FEDCAP recognizes revenue when control of the promised goods or services are transferred to FEDCAP's clients or outside parties in an amount that reflects the consideration FEDCAP expects to be entitled to in exchange for those goods or services and follows a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

Payments received in advance of FEDCAP satisfying its performance obligations are recorded within deferred revenues in the accompanying consolidated statements of financial position and totaled $9,298,263 and $10,458,643, as of September 30, 2025 and 2024, respectively. The changes in deferred revenues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

FEDCAP's contracts with customers generally contain terms that are less than one year. Accordingly, FEDCAP elected the practical expedients and does not assess whether a contract has a significant financing component or disclose the information regarding the remaining performance obligations for contracts with customers.

FEDCAP's revenue primarily relates to contract services and products, and rehabilitation and vocational programs. Revenue recognition for these various revenue streams coincides with the completion of the corresponding performance obligations to customers.

Contract Services and Products

FEDCAP's contract services and products revenue includes facility services, and other cost recovery contracts. FEDCAP recognizes such revenue ratably over a contract's term for those with fixed rates as the performance obligations are fulfilled accordingly over the corresponding contract term. For performance-based contracts, revenues are recognized in the period when related expenditures have been incurred, milestones have been achieved, or services have been performed in compliance with the respective contracts, which are the performance obligations under the contracts. FEDCAP also generates revenue from the sale of related products, which is recognized at the time of shipment.

Rehabilitation and Vocational Programs

FEDCAP's rehabilitation and vocational program revenue includes medical services, tuition and job training. FEDCAP recognizes such revenue ratably over a contract's term for those with fixed rates as the performance obligations are fulfilled accordingly over the corresponding contract term. For performance-based contracts, revenues are recognized in the period when related expenditures have been incurred, milestones have been achieved, or services have been performed in compliance with the respective contracts, which are the performance obligations under the contracts. FEDCAP also generates revenue from the sale of related products, which is recognized at the time of shipment.

Contribution and Grant Revenue

FEDCAP records contributions of cash and other assets when an unconditional promise to give such assets is received from a donor. Contributions are recorded at the fair value of the assets received and contributions with donor stipulations that limit the use of donated assets are classified as net assets with donor restrictions. Contributions with donor restrictions that are received and met in the same fiscal year are recorded as contribution revenues without donor restrictions. Otherwise, once stipulated time restrictions end or purpose restrictions are accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions as "net assets released from restrictions" in the consolidated statements of activities. Conditional contributions are recognized as revenue when the conditions on which they depend are substantially met. Conditional contributions received in advance of meeting the associated contributions are recorded within deferred revenue on the accompanying consolidated statements of financial position and totaled $407,378 and $630,574, as of September 30, 2025 and 2024, respectively. There were no outstanding conditional contributions yet to be received as of September 30, 2025 or 2024.

FEDCAP recognizes revenue from contributions, grants and contracts in accordance with guidance whereby FEDCAP evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, FEDCAP applies applicable guidance. If the transfer of assets is determined to be a contribution, FEDCAP evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before FEDCAP is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

Contributed goods and services are recognized (revenues and expenses, or assets, if capitalizable) at their estimated fair value at the date of receipt and are reflected as in-kind contributions on the accompanying consolidated statements of activities.

Receivables and Allowance for Credit Losses

Accounts receivables are derived from contract services and products, and rehabilitation and vocational programs. The carrying value of contributions and grants and accounts receivable are reduced by an appropriate allowance for credit losses and therefore approximates net realizable value. FEDCAP determines its allowance by considering a number of factors, including the length of time receivables are past due, FEDCAP's previous loss history, the donor's current ability to pay its obligation, and the condition of the general economy and the industry as a whole. Receivables outstanding longer than the payment terms are considered past due. FEDCAP writes off accounts receivable when they become uncollectible, and payments subsequently received on such receivables are recorded as income in the period received. All receivables are expected to be collected within one year.

Inventories

Inventories, mainly consisting of distress marker light products and related components, are valued at the lower of cost or net realizable value. Cost is determined principally by the first-in, first-out method.

Fixed Assets

Fixed assets purchased for a value greater than $5,000 and with depreciable lives greater than one year are carried at cost, net of accumulated depreciation. Depreciation is provided over the estimated useful life of the respective asset and ranges from three to 40 years. Significant additions or improvements extending asset lives are capitalized; normal maintenance and repair costs are expensed as incurred. Leasehold improvements are amortized based on the lesser of the estimated useful life or remaining lease term.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying consolidated statements of activities. The classification is based on the function and nature of expenses directly used in the program. Common expenses are allocated to the programs and supporting services based on the benefit derived. The methods used for the allocation include square footage and actual percentage of time dedicated to the program or supporting service.

Commissions

FEDCAP pays commissions to an unrelated not-for-profit entity and a New York State entity to provide information on government contracts that need competitive bids for services. The contracts provide for commissions to be paid to these organizations in the range of 0.87% to 3.9% of the contract amount. Commissions paid relating to these contracts amounted to $3,069,493 and $3,042,337 for the years ended September 30, 2025 and 2024, respectively, and are included within contract services and products expense in the accompanying consolidated statements of activities.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. These estimates and assumptions relate to estimates of collectability of accounts receivable, accruals, useful life of property, plant, and equipment, and impairment of long-lived assets. Actual results could differ from those estimates.

Fair Value Measurements

FEDCAP follows guidance for fair value measurements that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. It maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the measurement date. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that have little to no pricing observability as of the measurement date. These securities are measured using management’s best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by the entity. FEDCAP considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to FEDCAP’s perceived risk of that instrument.

Beneficial Interest in Trusts

Donors have established and funded trusts held by third parties under which specified distributions are to be made to a designated beneficiary or beneficiaries over the trusts’ term. FEDCAP’s beneficial interest in trusts consists of interests in both charitable remainder trusts and perpetual trusts. Under charitable remainder trusts, FEDCAP will receive the assets remaining in the trust upon the termination of the trust. Under perpetual trusts, FEDCAP has the irrevocable right to receive all or a portion of the income earned on the trust assets either in perpetuity or for the life of the trust. FEDCAP recognizes its interest in trusts as increases to net assets at the fair value of trust assets, less the present value of the estimated future payments to be made under the specific terms of the trusts. Fluctuations in the fair value of these assets are recorded as changes in net assets with donor restrictions in the consolidated statements of activities.

At September 30, 2025 and 2024, FEDCAP's beneficial interest in trusts are reflected at fair value in the accompanying consolidated statements of financial position and are classified as Level 3 within the fair value hierarchy.

	2025	2024
Balance, beginning of year	$ 5,469,768	$ 4,575,264
Distributions	(96,280)	(172,104)
Appreciation	245,006	1,066,608
Balance, end of year	$ 5,618,494	$ 5,469,768

Impairment of Long-Lived Assets

FEDCAP reviews the carrying values of its long-lived assets, including property and equipment and other assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable. Recoverability of long-lived assets is assessed by a comparison of the carrying amount of the asset to the estimated future net cash flows expected to be generated by the asset.

If estimated future net cash flows are less than the carrying amount of the asset, the asset is considered impaired and an expense is recorded in an amount to reduce the carrying amount of the asset to its fair value.

Tax-Exempt Status

FEDCAP follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

FEDCAP is exempt from federal income tax under IRC Section 501(c)(3), though it is subject to tax on income unrelated to their respective exempt purpose, unless that income is otherwise excluded by the IRC. These organizations have processes presently in place to ensure the maintenance of their tax-exempt status, to identify and report unrelated income, to determine their filing and tax obligations in jurisdictions for which they have nexus, and to identify and evaluate other matters that may be considered tax positions. FEDCAP has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

While FEDCAP does not pay income tax within the United States, it does accrue Value-Added-Tax ("VAT") for liabilities its United Kingdom subsidiaries incur on goods and services purchased overseas. The amount of VAT liability accrued within the accompanying consolidated financial statements for the years ended September 30, 2025 and 2024, is $815,691 and $1,507,329, respectively, and is reported within accounts payable and accrued liabilities on the accompanying consolidated statements of financial position.

Goodwill

Goodwill was established through the acquisition of Apex in 2020 and KS in 2019. The value reported on the consolidated statements of financial position represents the residual difference between the consideration paid and the fair value of the net assets acquired. FEDCAP has elected under relevant guidance to amortize goodwill on a straight-line basis over 10 years and to perform a goodwill impairment analysis at the entity or reporting unit level when a triggering event occurs that indicates the fair value of the entity or reporting unit may be below its carrying amount. Amortization and impairment charges totaling $39,998 and $4,000 were recognized during the years ended September 30, 2025 and 2024, respectively.

Leases

FEDCAP determines if an arrangement is a lease or contains a lease at inception of a contract. A contract is determined to be or contain a lease if the contract conveys the right to control the use of identified property, plant, or equipment (an identified asset) in exchange for consideration. FEDCAP determines these assets are leased because FEDCAP has the right to obtain substantially all of the economic benefit from and the right to direct the use of the identified asset. Assets in which the supplier or lessor has the practical ability and right to substitute alternative assets for the identified asset and would benefit economically from the exercise of its right to substitute the asset are not considered to be or contain a lease because FEDCAP determines it does not have the right to control and direct the use of the identified asset. FEDCAP's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

In evaluating its contracts, FEDCAP separately identifies lease and non-lease components, such as common area and other maintenance costs, in calculating the ROU assets and lease liabilities for its office space. FEDCAP has elected the practical expedient to not separate lease and non-lease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the non-lease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. FEDCAP determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. FEDCAP has made a policy election to use a risk-free rate per U.S. Treasury instrument for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The portion of payments on operating lease liabilities related to interest, along with the amortization of the related ROU, is recognized as occupancy expense. This occupancy expense is recognized on a straight-line basis over the term of the lease. The portion of payments on finance lease liabilities related to interest and the amortization of the ROU assets under finance leases are reflected within depreciation and amortization expense on the accompanying statement of functional expenses.

The lease term may include options to extend or to terminate the lease that FEDCAP is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

FEDCAP has elected not to record leases with an initial term of 12 months or less on its statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Employee Retention Credits

During the year ended September 30, 2025, FEDCAP recognized $12,719,345 of revenue related to employee retention credits, which were provided for under the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which is reflected as employee retention credit revenues on the accompanying fiscal 2025 consolidated statement of activities.

Adopted Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. This ASU provides a practical expedient allowing entities to assume that conditions existing at the balance sheet date will remain unchanged for the remaining life of the asset when estimating credit losses. Additionally, entities other than public business entities may elect an accounting policy to consider subsequent collection activity occurring after the balance sheet date in estimating expected credit losses. FEDCAP adopted this guidance during fiscal 2025, including electing to adopt the practical expedient; the adoption did not have a material impact on the accompanying consolidated financial statements or related disclosures.

Reclassifications

Certain reclassifications were made to the fiscal 2024 consolidated financial statements in order to conform to the fiscal 2025 presentation. Such reclassifications did not result in a change to total net assets, revenues, expenses or changes in net assets as previously reported in the fiscal 2024 consolidated financial statements.

NOTE 3 - CONTRIBUTIONS AND GRANTS RECEIVABLE

At September 30, 2025 and 2024, contributions and grants receivable consisted of receivables amounting to $3,745,317 and $3,263,809, respectively, net of an allowance for doubtful accounts of $250,000 for each year. Contributions and grants receivable are all due within one year as of September 30, 2025 and 2024.

Approximately 12% and 31% of the contributions and grants receivable (gross) was due from one donor at September 30, 2025 and 2024, respectively.

NOTE 4 - CONTRIBUTED SPACE RECEIVABLE

In fiscal 2023, upon commencement of the lease, a contributed space receivable and in-kind contribution with donor restrictions was recognized totaling $48,617,672 related to the below market rate lease for Civic Hall's 85,000-square-foot learning and training center at 14th Street, Union Square, New York City. This amount represents the present value of the difference between the fair market rate and the contracted payments due under the lease over the lease term. The fair market rate was determined based upon the lease rates for comparable space at the time of the lease commencement. The lease has a 25-year term and the contributed space receivable will be amortized over that period. During the years ended September 30, 2025 and 2024, $2,677,161 and $2,772,957, respectively, of the contributed space receivable was amortized and reflected within occupancy costs on the accompanying consolidated statement of functional expenses. The remaining contributed space receivable as of September 30, 2025 and 2024 is $40,295,370 and $42,972,531, respectively.

NOTE 5 - INVESTMENTS

Investments, at fair value, consisted of the following at September 30:

	2025	2024
Money market funds	$ 889,987	$ 649,116
Mutual funds	13,789,830	11,293,539
	$ 14,679,817	$ 11,942,655

FEDCAP's mutual fund investments are classified as Level 1 within the fair value hierarchy. FEDCAP's money market fund investments do not meet the definition of a security under U.S. GAAP, and as such, the disclosure requirements for fair value measurements are not applicable.

NOTE 6 - INVENTORIES, NET

Inventories consisted of the following at September 30:

	2025	2024
Inventories		
Raw materials	$ 461,263	$ 52,104
Work-in-process and finished goods	198,849	306,387
Reserve	(90,000)	(90,000)
	$ 570,112	$ 268,491

NOTE 7 - PROPERTY, PLANT AND EQUIPMENT, NET

Fixed assets, net, consisted of the following at September 30:

	2025	2024
Land	$ 1,394,209	$ 1,617,809
Building improvements	4,463,411	4,552,558
Buildings	39,780,179	39,742,759
Furniture, fixtures and computer systems	30,624,223	29,439,610
Leasehold improvements	47,351,647	45,493,670
	123,613,669	120,846,406
Less: accumulated depreciation	(43,825,084)	(39,934,668)
	$ 79,788,585	$ 80,911,738

Depreciation and amortization expense for the years ended September 30, 2025 and 2024 was $5,846,375 and $4,720,555, respectively. Depreciation and amortization expense as reported on the accompanying consolidated statement of functional expenses for the years ended September 30, 2025 and 2024 includes amortization of finance lease ROU assets of $3,055,481 and $2,952,943, respectively.

During fiscal 2025, FEDCAP sold land and a building and disposed of related equipment with an aggregate net book value of $630,746 for a net gain of $475,820, which is reflected within miscellaneous revenue on the accompanying 2025 consolidated statement of activities.

NOTE 8 - REVOLVING LOANS

Provident Bank

On January 27, 2023, FEDCAP entered into an agreement with Provident Bank to refinance certain of its previous debt arrangements as well as to provide for additional liquidity for operations. In connection with the refinancing, FEDCAP entered into (1) a revolving line of credit agreement (Facility A) with a borrowing limit of $42,500,000, with a maturity date of March 25, 2025 and interest payable quarterly at a rate of one month CME Term Secured Overnight Financing Rate (“SOFR”) plus 2.90% but no less than 5.00%; and (2) an additional $7,500,000 credit line (Facility B), with a maturity date of March 25, 2025, and interest payable quarterly at a rate of one month CME Term SOFR plus 2.90% but no less than 5.00%. The revolving line of credit agreement requires that FEDCAP maintain minimum unrestricted liquid assets of $15,000,000. The lines of credit are also secured by a first lien security interest in all inventory, accounts receivable, furniture, fixtures, machinery, equipment, licenses, permits and general intangibles of FEDCAP existing at the time of the agreement or acquired thereafter. On March 6, 2025, FEDCAP entered into an agreement with Provident Bank to extend the maturity date of the revolving lines of credit to October 1, 2025.

On September 30, 2025, FEDCAP entered into a modification agreement with Provident Bank to reduce the revolving line of credit limit for Facility A to $35,000,000 from $42,500,000, extend the maturity date of Facility A to October 1, 2027, and terminate Facility B. Outstanding borrowings of $15,000,000 under the revolving loan were converted into a term loan (refer to Note 9). As of September 30, 2025 and 2024, FEDCAP had borrowings on Facility A of $20,915,341 and $31,345,101, respectively, at an interest rate of 7.06% and 8.24%, respectively. The balance reported on the accompanying consolidated statement of financial position as of September 30, 2025 and 2024 is net of unamortized debt issuance costs of $135,902 and $41,619, respectively.

NOTE 9 - LONG-TERM DEBT

Notes Payable

On October 21, 2004, TOTS entered into a $700,000 mortgage note payable to finance the acquisition of the building located in Bronx, New York. The note was secured by the property and all of the assets of TOTS. The interest rate is 5.0% and principal and interest of $4,960 is payable monthly through the maturity date of November 1, 2024. At September 30, 2025 and 2024, the outstanding principal balance was $0 and $9,849, respectively.

On October 27, 2020, FEDCAP entered into an agreement with Investors Bank for two term loans in the amounts of $6,000,000 and $6,600,000, with a maturity date of November 1, 2045 and November 1, 2030, respectively, along with monthly payments of principal and interest at a rate of 4.00%. At September 30, 2025 and 2024, the outstanding principal balance of the term loans was $8,996,130 and $10,610,593, respectively.

On July 11, 2019, TACT entered into a $77,160 note payable with Colorado Enterprise Fund, Inc. The note is secured by the assets of TACT. The interest rate is fixed at 9.99% and principal and interest are paid monthly. The note matures in July 2026. At September 30, 2025 and 2024, the outstanding principal balance was $0 and $23,484, respectively.

On August 27, 2020, TACT was granted a loan of $150,000 by U.S. Small Business Administration ("SBA") under the Economic Injury Disaster Loan ("EIDL") program that provided financial assistance to small businesses impacted by the COVID-19 pandemic. As of September 30, 2025 and 2024, the outstanding principal balance, including accrued interest, was $160,812 and $162,664, respectively, at an interest rate of 2.75% and 2.50%, respectively. The loan principal and accrued interest are eligible for forgiveness by the SBA. The loan matures on August 27, 2051.

On October 24, 2023, Civic Hall Labs entered into an agreement with Provident Bank for a non-revolving construction line of credit and term loan in the maximum principal amount of $10,000,000 to finance certain leasehold improvements on Civic Hall Center. The interest rate is 7.14% and principal and interest are paid monthly. This note matures in December 2027. At September 30, 2025 and 2024, the outstanding principal balance was $5,970,366 and $8,234,465, respectively.

On September 30, 2025, The Fedcap Group entered into an agreement with Provident Bank to convert a portion of its existing revolving loan into a term loan in the amount of $15,000,000. The interest rate is fixed at 6.12% and principal and interest are paid monthly. This note matures in October 2030. As of September 30, 2025, the outstanding principal balance was $15,000,000.

Bonds Payable

In December 2013, FRS entered into a Loan Agreement with Build NYC Resource Corporation ("Build NYC"), a local development corporation, for Build NYC to issue bonds to finance the purchase of the sixth floor of a building located at 633 Third Avenue in New York City and related expenses. Build NYC issued $18,450,000 of tax-exempt revenue bonds ("Series 2013A"). Monthly payments of interest commenced in June 2014. The Series 2013A bonds have a coupon rate of 4.2% with a maturity date of December 1, 2033. The Series A bonds were placed with Israel Discount Bank ("IDB") and, as part of the bond purchase and continuing covenant agreement between FRS and IDB, FRS must maintain a minimum balance with IDB of $4,000,000, which is included within investments in the accompanying consolidated statements of financial position at September 30, 2025 and 2024. At September 30, 2025 and 2024, the outstanding principal balance of the Series 2013A bonds was $12,950,000 and $13,605,000, respectively.

The following is a summary of minimum principal payments due on the notes and bonds at September 30, 2025:

Year Ending September 30,	Notes Payable	Bonds Payable	Total
2026	$ 5,406,875	$ 685,000	$ 6,091,875
2027	5,971,744	715,000	6,686,744
2028	4,454,674	745,000	5,199,674
2029	3,733,451	775,000	4,508,451
2030	3,941,026	805,000	4,746,026
Thereafter	6,619,538	9,225,000	15,844,538
Total	$ 30,127,308	$ 12,950,000	43,077,308
Less: current portion			(6,091,875)
Less: bond issuance cost			(421,457)
Long-term debt, net of current portion			$ 36,563,976

NOTE 10 - ADVANCES FROM GOVERNMENT AGENCY

During fiscal 2025 and 2024, FEDCAP received contract advances from various New York City government agencies. The refundable balance related to these advances as of September 30, 2025 and 2024 is $40,206 and $1,994,103, respectively. These advances are non-interest bearing and will be offset by future receivables within these programs.

NOTE 11 - FORGIVABLE CAPITAL ADVANCES

ESCT has received financial assistance for property acquisition costs from Housing and Urban Development (“HUD”) and the Austin Housing Finance Corporation (“AHFC”). Under the terms of the agreements, funds were provided to ESCT in the form of forgivable capital advances to purchase 34 housing entities. The principle and any interest are not due and will be forgiven upon maturity, as long as ESCT continues to meet the requirements to maintain the housing units available for low income persons with disabilities. ESCT believes that the possibility that repayment will occur is remote and as such that the treatment of the advance as a contribution upon receipt is appropriate. Accordingly, the advances were recorded as contributions with donor restrictions that are released from restriction over the life of the agreement. As of September 30, 2025 and 2024, the balance of the capital advances recorded within net assets with donor restrictions amounted to $2,843,822 and $2,957,735, respectively.

The following table summarizes the forgivable capital advances as of September 30, 2025:

	Amount of Original Advance
Housing I	
U.S. Department of HUD, interest rate of 5.375%, due unless forgiven on October 11, 2045, secured by six rental housing units. At September 30, 2025 and 2024, $207,361 and $217,685, respectively, was included in net assets with donor restrictions related to the note.	$ 413,000
Housing II	
U.S. Department of HUD, interest rate of 5.250%, due unless forgiven on April 1, 2048, secured by 10 rental housing units. At September 30, 2025 and 2024, $402,887 and $420,727, respectively, was included in net assets with donor restrictions related to the note.	713,600
City of Austin passed through AHFC, interest rate of 0%, due unless forgiven on May 1, 2049, secured by 10 rental housing units, subordinate to the $713,600 loan. At September 30, 2025 and 2024, $294,792 and $307,292, respectively, was included in net assets with donor restrictions related to the note.	500,000
Housing III	
U.S. Department of HUD, interest rate of 4.125%, due unless forgiven on December 1, 2050, secured by eight rental housing units. At September 30, 2025 and 2024, $465,521 and $484,018, respectively, was included in net assets with donor restrictions related to the note.	739,900
City of Austin passed through AHFC, interest rate of 0%, due unless forgiven on November 30, 2050, secured by eight rental housing units, subordinate to the $739,900 loan. At September 30, 2025 and 2024, $311,274 and $323,642, respectively, was included in net assets with donor restrictions related to the note.	494,740
Housing IV	
U.S. Department of HUD, interest rate of 4.125%, due unless forgiven on February 15, 2053, secured by 10 rental housing units. At September 30, 2025 and 2024, $733,670 and $760,433, respectively, was included in net assets with donor restrictions related to the note.	1,070,400
City of Austin passed through AHFC, interest rate of 0%, due unless forgiven on February 28, 2053, secured by 10 rental housing units, subordinate to the $1,070,400 loan. At September 30, 2025 and 2024, $428,317 and $443,938, respectively, was included in net assets with donor restrictions related to the note.	624,898
Total	$ 4,556,538

NOTE 12 - LEASES

FEDCAP has entered into operating and finance lease commitments for space, office equipment and vehicles at various locations for its programs and administrative activities, which expire on various dates through July 2067.

The lease cost and other required information relevant to the lease commitments for the years ended September 30, 2025 and 2024 are:

	2025	2024
Lease cost		
Operating lease cost	$ 19,410,598	$ 15,300,023
Finance lease cost		
Amortization of ROU assets	3,055,481	2,952,943
Interest on lease liabilities	3,457,937	3,513,818
Sublease income	(1,813,802)	(558,993)
Total lease cost	$ 24,110,214	$ 21,207,791
Operating cash flows from operating leases	$ 16,304,097	$ 12,806,430
Operating cash flows from finance leases	3,457,937	3,513,818
Financing cash flows from finance leases	1,771,458	1,359,787
ROU assets, obtained in exchange for new operating lease liabilities	$ 4,350,652	$ 4,344,007
ROU assets, obtained in exchange for new finance lease liabilities	508,746	712,475
Weighted-average remaining lease term:		
Operating leases	16.69 years	17.56 years
Finance leases	24.18 years	25.11 years
Weighted-average discount rate:		
Operating leases	3.54%	3.48%
Finance leases	4.48%	4.46%

Future minimum payments under FEDCAP's leases are due as follows:

	Operating Leases	Finance Leases
2026	$ 11,112,727	$ 5,225,392
2027	8,667,498	5,183,555
2028	9,747,508	5,126,658
2029	7,818,517	5,079,903
2030	6,982,436	5,263,551
Thereafter	78,065,155	101,658,598
Total future undiscounted lease payments	122,393,841	127,537,657
Less: interest	(32,886,267)	(49,075,780)
Lease liabilities	$ 89,507,574	$ 78,461,877

NOTE 13 - CONTINGENCIES

FEDCAP is engaged in various lawsuits incidental to its operations. In the opinion of management, the ultimate outcome of pending litigation will not have a material adverse effect on the consolidated financial position and results of operations of FEDCAP.

FEDCAP participates in a number of federal and state programs. These programs require that FEDCAP comply with certain requirements of laws, regulations, contracts, and agreements applicable to the programs in which it participates. All funds expended in connection with government grants and contracts are subject to audit by government agencies. While the ultimate liability, if any, from such audits of government contracts by government agencies is presently not determinable, it should not, in the opinion of management, have a material effect on FEDCAP's financial position or change in net assets. Accordingly, no provision for any such liability that may result has been made in the accompanying consolidated financial statements.

NOTE 14 - TUITION REVENUE

FEDCAP receives funding for Fedcap Apex Technical School Inc (d/b/a Apex Technical School) and for the Career Design School from the New York State Education Department, administered by the Bureau of Proprietary School Supervision. Gross tuition income has been included within rehabilitation and vocational programs in the accompanying consolidated statements of activities for the years ended September 30, 2025 and 2024 as follows:

	2025	
	Fedcap Apex Technical School Inc d/b/a Apex Technical School	Career Design School
Tuition	$ 27,634,745	$ 32,705
Less: book and tool sales	(782,803)	-
Less: application and insurance fees	(147,921)	-
Subtotal	26,704,021	32,705
Add: student Refunds and Returns to Federal Family Education Loan Programs included above	601,528	-
Gross tuition for tuition assessment calculations	$ 27,305,549	$ 32,705

	2024	
	Fedcap Apex Technical School Inc d/b/a Apex Technical School	Career Design School
Tuition	$ 25,766,219	$ 60,600
Less: book and tool sales	(740,911)	-
Less: application and insurance fees	(134,831)	-
Subtotal	24,890,477	60,600
Add: student Refunds and Returns to Federal Family Education Loan Programs included above	570,496	-
Gross tuition for tuition assessment calculations	$ 25,460,973	$ 60,600

NOTE 15 - NET ASSETS

Net assets with donor restrictions were restricted for the following purposes as of September 30:

	2025	2024
For use in future periods for		
ESCT HUD capital advances	$ 2,843,822	$ 2,957,735
Time restricted - beneficial interest in remainder trust	3,097,798	3,073,673
Time restricted - contributed space	40,295,370	42,972,531
Time restricted - general	10,090	-
	46,247,080	49,003,939
Beneficial interest in perpetual trusts and endowment funds subject to appropriation and satisfaction of donor restrictions	2,692,562	2,565,194
	$ 48,939,642	$ 51,569,133

Beneficial interest in perpetual trusts and endowment funds are comprised of the following as of September 30:

	2025	2024
Easter Seals - beneficial interest in perpetual trusts	$ 2,520,696	$ 2,396,095
Reserve endowment	92,668	89,964
CWS endowment	79,198	79,135
	$ 2,692,562	$ 2,565,194

Net assets released from restrictions during the years ended September 30, 2025 and 2024 amounted to $2,791,074 and $4,793,961, respectively.

Net assets released from restrictions are comprised of the following as of September 30:

	2025	2024
Time Restricted - contributed space	$ 2,677,161	$ 2,772,957
Time Restricted - general	-	1,670,603
ESCT HUD Capital Advances	113,913	113,913
Employment and job search programs	-	236,488
	$ 2,791,074	$ 4,793,961

NOTE 16 - RELATED-PARTY TRANSACTIONS

A CWS Board member is a trustee of the Eaton Fund. CWS leases its facilities from the Eaton Fund. The rent paid to Eaton Fund for each of the years ended September 30, 2025 and 2024 were $130,000.

The chairman of the Board of Directors of Wildcat is the CEO of a payroll services firm named Alpha Business Solutions, which supplies ReServe, Inc. with staffing services. Total payments to Alpha Business Solutions for each of the years ended September 30, 2025 and 2024 were $4,093,033 and $3,870,123, respectively.

NOTE 17 - EMPLOYEE BENEFIT PLANS

Effective January 1, 1991, FEDCAP established a Tax Deferred Annuity Retirement Plan under Section 403(b) of the IRC for employee voluntary salary reduction contributions. Employees are eligible to participate in the plan as of their employment date.

Effective October 1, 1991, FEDCAP established a Tax Deferred Annuity Retirement Plan under Section 403(b) of the IRC for employees working on government contracts with a defined contribution pension plan based on a contractual formula. Employees are eligible to participate in the plan upon satisfactory completion of a three-month probationary period.

Effective October 1, 1994, FEDCAP established a Defined Contribution Plan under Section 403(b) of the IRC for qualified participants, primarily employees who do not work on contracts. In November 1, 2010, the Defined Contribution Plan was amended to allow all employees to participate in the plan immediately upon hire. FEDCAP matches employee contributions up to 3% of their salaries. Employer matching contributions fully vest after three years of employment.

Plan contributions are invested in one or more of the funding vehicles available to participants under the plans. Each participant is fully and immediately vested in employee contributions. Employer contributions to the plans amounted to $14,734,999 and $14,425,354 for the years ended September 30, 2025 and 2024, respectively.

NOTE 18 - ACQUISITION

On April 1, 2025, FEDCAP acquired Runway of Dreams Foundation (“Runway”) and its subsidiary, Gamut Management (“Gamut”), to expand efforts in making the fashion, beauty, and lifestyle industries more inclusive and responsive to the needs of people with disabilities. The acquisition was affected without the transfer of consideration, and as such, charges in the amounts of $348,512 and 178,477 were recognized on Runway and Gamut, respectively, which represented the excess of the acquisition date fair values of the liabilities assumed over the acquisition date fair value of the assets acquired.

On May 1, 2025, FEDCAP acquired ELITE Supported Employment Agency Ltd. (“ELITE”), a UK-based charity support disabled and disadvantaged individuals to access, obtain, and maintain employment and training opportunities. This partnership brings together ELITE’s deep local roots, specialist knowledge, and trusted relationships with FEDCAP’s decades-long expertise in sustainable employment. The acquisition was affected without the transfer of consideration, and as such, an inherent contribution of $72,002 was recognized, which represented the surplus of the acquisition date fair values of the assets acquired over the acquisition date fair value of the liabilities assumed.

On June 1, 2025, FEDCAP acquired The Verdancy Group Ltd. (“TVG”), an innovative Scotland-based provider of green skills training. This strategic acquisition strengthens FEDCAP’s growing portfolio of clean energy and sustainability programs, expanding access to high-quality green skills training for individuals, educational institutions, and businesses. The acquisition was affected by the transfer of consideration in the amount of $134,796. A charge in the amount of $118,687 was recognized, which represented the consideration paid less the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

On July 1, 2025, FEDCAP acquired Big Picture Learning UK. ("BPL"), an alternative education provider that uses the internationally recognized Big Picture Learning model. This strategic acquisition further strengthens FEDCAP's education and training portfolio in the UK. The acquisition was affected by the transfer of consideration in the amount of $269,853. A charge in the amount of $130,133 was recognized, which represented the consideration paid less the excess of the acquisition date fair values of the identifiable assets acquired over the acquisition date fair values of the liabilities assumed.

The following table summarizes the estimated fair values of the liabilities assumed and assets acquired at the date of acquisition during the year ended September 30, 2025:

	ELITE Supported Employment Agency Ltd.	The Verdancy Group Ltd.	Big Picture Learning UK	Runway of Dreams Foundation	Gamut Management LLC	Total
Cash and cash equivalents	$ 114,779	$ 1,687	$ 140,846	$ 54,715	$ 17,072	$ 329,099
Accounts receivable, net	292,145	49,382	79,531	31,514	43,167	495,739
Prepaid expenses	114,400	5,991	23,776	-	-	144,167
Investments	47,111	-	-	-	-	47,111
Property and equipment	1,620,150	6,416	20,155	-	-	1,646,721
Other assets	-	-	-	-	40,000	40,000
Accounts payable and accrued liabilities	(528,777)	(11,550)	(124,588)	(69,741)	(49,850)	(784,506)
Deferred revenues	(175,227)	(3,362)	-	(325,000)	-	(503,589)
Notes payable	(1,412,579)	-	-	-	-	(1,412,579)
Other liabilities	-	(32,455)	-	(40,000)	(228,866)	(301,321)
Net assets (deficit)	$ 72,002	$ 16,109	$ 139,720	$ (348,512)	$ (178,477)	$ (299,158)

On May 1, 2024, FEDCAP acquired TACT Kids, Inc. (Teaching the Autism Community Trades), a Denver, Colorado-based school dedicated to empowering individuals with autism through skilled trades education and employment. The collaboration between FEDCAP and TACT signifies a significant step forward in expanding support for neurodiverse individuals. The acquisition was affected without the transfer of consideration, and as such, an inherent contribution of $1,050,381 was recognized, which represented the surplus of the acquisition date fair values of the assets acquired over the acquisition date fair value of the liabilities assumed.

The following table summarizes the estimated fair values of the liabilities assumed and assets acquired at the date of acquisition during the year ended September 30, 2024:

	TACT Kids, Inc.
Cash and cash equivalents	$ 156,298
Accounts receivable, net	160,500
Grant receivable, net	270,000
Prepaid expenses	12,289
Property and equipment	1,363,929
Other assets	11,931
Accounts payable and accrued liabilities	(712,477)
Deferred revenue	(22,500)
Notes payable	(189,589)
Net assets	$ 1,050,381

NOTE 19 - CONCENTRATIONS

FEDCAP provides building services for federal buildings, which comprised 19% and 18% of total revenues during the years ended September 30, 2025 and 2024, respectively. FEDCAP provides offsite data entry personnel, custodial and other services to various branches of the state and city government through one New York State organization, which comprised 4% and 5% of total revenues during the years ended September 30, 2025 and 2024, respectively.

Financial instruments that potentially subject FEDCAP to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation limit. Management does not believe that a significant risk of loss exists due to the failure of a financial institution.

NOTE 20 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

FEDCAP regularly monitors liquidity required to meet its operating needs and other contractual commitments. FEDCAP has various sources of liquidity at its disposal, including cash and cash equivalents, marketable debt and equity securities, and line of credit. See Note 8 for information about FEDCAP's line of credit.

For purposes of assessing resources available to meet general expenditures over a 12-month period, FEDCAP considers all expenditures related to its ongoing activities.

In addition to financial assets available to meet general expenditures over the next 12 months, FEDCAP operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

As of September 30, 2025 and 2024, the following tables show the total financial assets held by FEDCAP and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures.

Financial assets available to meet general expenditures over the next 12 months:

	2025	2024
Cash and cash equivalents	$ 34,915,259	$ 33,009,429
Accounts receivable, net	62,499,171	64,591,006
Contributions and grants receivable, net	3,745,317	3,263,809
Investments	14,679,817	11,942,655
Total financial assets available within the next 12 months	115,839,564	112,806,899
Less amounts unavailable for general expenditure due to:		
Donor-imposed restrictions	(181,956)	(169,099)
Minimum liquidity and collateral requirements under borrowing and other arrangements	(18,835,676)	(22,422,219)
Total financial assets available to meet general expenditures over the next 12 months	$ 96,821,932	$ 90,215,581

NOTE 21 - SUBSEQUENT EVENTS

FEDCAP evaluated its September 30, 2025 consolidated financial statements for subsequent events through February 25, 2026, the date the consolidated financial statements were available for issuance. FEDCAP is unaware of any events which would require recognition or disclosure in the accompanying consolidated financial statements.

SUPPLEMENTARY INFORMATION

The FEDCAP Group

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

September 30, 2025

	Fedcap Group	Fedcap Rehabilitation Services, Inc.	Fedcap Inc.	Fedcap Investment Corporation	Fedcap VR Technologies LLC	Fedcap NYC Inc.	Wildcat Services Corporation	Easter Seals MS	ReServe	Community Work Service	Easter Seals NY	Granite Pathways	Easter Seals RI	Single Stop	Seacoast Pathways
ASSETS															
Current assets															
Cash and cash equivalents	$ 19,517,253	$ 859,561	$ (18,402)	$ -	$ -	$ (10,837)	$ -	$ (5,928)	$ (6,679)	$ (2,291)	$ 55,119	$ 50,376	$ 83,196	$ (11,440)	$ 348
Accounts receivable (net of allowance for credit losses of approximately $4,986,000)	90,442	15,894,340	6,615,404	-	-	4,033,852	7,431,036	167,374	580,926	920,312	2,861,419	282,545	788,411	29,155	26,567
Intercompany accounts receivable	303,169,939	900,853,026	155,839,851	143,000	1,603,048	261,618	140,986,832	48,008	42,473,473	42,637,601	129,313,633	21,411,528	19,348,841	67,684,355	1,820,815
Current portion of contributed space receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions and grants receivable (net of allowance for uncollectible contributions receivable of approximately $250,000)	65,027	309,625	209,445	-	-	-	753,665	372,558	-	136,407	63,876	775	33,847	1,436,440	2,395
Inventories, net	-	403,717	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses and other assets	1,496,998	483,682	3,074,905	125,000	-	284,421	49,368	15,865	-	9,825	647,333	47,617	10,172	251,000	-
Total current assets	324,339,659	918,803,951	165,721,203	268,000	1,603,048	4,569,054	149,220,901	597,877	43,047,720	43,701,854	132,941,380	21,792,841	20,264,467	69,389,510	1,850,125
Investments	-	13,495,257	-	-	-	-	-	-	92,667	79,198	192,287	-	19,529	-	-
Property, plant and equipment, net	572,338	26,935,770	898,276	-	-	4,245	-	36,752	4,006	389,309	6,108,942	11,018	-	1,889,753	-
Operating lease right-of-use assets	1,078,895	7,256,724	5,693,489	-	-	3,958,276	53,188	13,006	-	845,000	4,739,958	276,263	44,071	-	40,307
Finance lease right-of-use assets	30,702	23,577,842	-	-	-	-	52,461	-	-	115,993	97,392	-	-	-	-
Contributed space receivable, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Beneficial interest in trust	-	-	-	-	-	-	-	-	-	-	714,466	-	-	-	-
Other assets	-	129,275	-	-	-	-	-	-	-	-	-	-	-	-	-
Goodwill, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,681,935	71,394,868	6,591,765	-	-	3,962,521	105,649	49,758	96,673	1,429,500	11,853,045	287,281	63,600	1,889,753	40,307
Total assets	$ 326,021,594	$ 990,198,819	$ 172,312,968	$ 268,000	$ 1,603,048	$ 8,531,575	$ 149,326,550	$ 647,635	$ 43,144,393	$ 45,131,354	$ 144,794,425	$ 22,080,122	$ 20,328,067	$ 71,279,263	$ 1,890,432
LIABILITIES AND NET ASSETS															
Current liabilities															
Accounts payable and accrued liabilities	$ 4,197,790	$ 18,670,903	$ 927,925	$ -	$ 59,132	$ 496,367	$ 586,952	$ 12,983	$ 710,637	$ 285,159	$ 817,226	$ 23,344	$ 124,616	$ 225,865	$ 1,515
Intercompany payable	279,334,810	866,980,805	157,249,064	295,186	1,834,923	1,915,577	144,418,189	550,315	43,986,352	42,382,075	139,708,039	23,237,728	17,560,201	75,054,029	2,645,897
Deferred revenues	-	1,158,593	-	-	-	-	-	64,812	-	108,000	7,590	-	-	1,300,718	4,226
Advances from government agency	-	-	-	-	-	-	-	-	40,206	-	-	-	-	-	-
Current portion of finance lease liabilities	7,753	1,108,459	-	-	-	-	20,603	-	-	47,275	44,890	-	-	-	-
Current portion of operating lease liabilities	330,694	1,289,673	1,334,400	-	-	1,504,459	18,903	14,157	-	130,000	1,149,605	85,547	31,525	-	40,307
Current portion of notes payable	2,425,678	857,215	-	-	-	-	-	-	-	-	369,000	-	-	-	-
Total current liabilities	286,296,725	890,065,648	159,511,389	295,186	1,894,055	3,916,403	145,044,647	642,267	44,737,195	42,952,509	142,096,350	23,346,619	17,716,342	76,580,612	2,691,945
Notes payable, net of current portion	12,431,120	17,179,381	-	-	-	-	-	-	-	-	3,367,501	-	-	-	-
Revolving loan	20,779,439	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance lease liabilities, net of current portion	23,559	33,348,066	-	-	-	-	36,959	-	-	84,863	68,478	-	-	-	-
Operating lease liabilities, net of current portion	722,380	6,923,025	4,459,819	-	-	2,518,013	34,491	-	-	715,000	3,844,284	194,589	13,522	-	-
Other liabilities	6,018,000	481,514	3,892	-	-	-	22,217	-	490,708	106,015	648,057	67,449	11,635	310,309	-
Total liabilities	326,271,223	947,997,634	163,975,100	295,186	1,894,055	6,434,416	145,138,314	642,267	45,227,903	43,858,387	150,024,670	23,608,657	17,741,499	76,890,921	2,691,945
Net assets															
Without donor restrictions	(249,629)	42,201,185	8,337,868	(27,186)	(148,414)	2,097,159	4,188,236	5,368	(2,176,178)	1,183,679	(5,944,711)	(1,528,535)	2,586,568	(5,611,658)	(801,513)
Without donor restrictions - non-controlling interest	-	-	-	-	(142,593)	-	-	-	-	-	-	-	-	-	-
With donor restrictions	-	-	-	-	-	-	-	-	92,668	89,288	714,466	-	-	-	-
Total net assets	(249,629)	42,201,185	8,337,868	(27,186)	(291,007)	2,097,159	4,188,236	5,368	(2,083,510)	1,272,967	(5,230,245)	(1,528,535)	2,586,568	(5,611,658)	(801,513)
Total liabilities and net assets	$ 326,021,594	$ 990,198,819	$ 172,312,968	$ 268,000	$ 1,603,048	$ 8,531,575	$ 149,326,550	$ 647,635	$ 43,144,393	$ 45,131,354	$ 144,794,425	$ 22,080,122	$ 20,328,067	$ 71,279,263	$ 1,890,432

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

The FEDCAP Group

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION - CONTINUED

September 30, 2025

	Benevolent	MVLE	Easter Seals CT	Easter Seals NT	These Our Treasures	Fedcap Apex Technical School Inc.	Civic Hall Labs	New York Tech Alliance	TACT Kids Inc.	Runway of Dreams Foundation	Gamut Management	Fedcap Canada	Fedcap UK	Eliminations	Consolidated
ASSETS															
Current assets															
Cash and cash equivalents	$ 3,352	$ 436	$ 49,421	$ 7,019	$ 44,099	$ 1,232,110	$ 2,528,551	$ 65	$ 9,850	$ (606)	$ (3,130)	$ 5,294,377	$ 5,239,439	$ -	$ 34,915,259
Accounts receivable (net of allowance for credit losses of approximately $4,986,000)	-	1,680,465	1,113,320	54,313	80,234	5,731,465	670,821	5,000	370,387	31,514	67,841	-	12,972,028	-	62,499,171
Intercompany accounts receivable	402,516	31,295,093	28,561,882	18,252,023	7,125,960	28,309,652	1,647,259	15,954	82,428	48,241	(7,799)	2,592,783	58,373,522	(2,004,295,082)	-
Current portion of contributed space receivable	-	-	-	-	-	-	2,677,161	-	-	-	-	-	-	-	2,677,161
Contributions and grants receivable (net of allowance for uncollectible contributions receivable of approximately $250,000)	-	-	318,479	-	-	-	-	-	42,778	-	-	-	-	-	3,745,317
Inventories, net	-	-	-	-	259	120,645	-	-	-	-	-	-	45,491	-	570,112
Prepaid expenses and other assets	3,000	462,689	316,907	9,649	-	245,482	2,518,704	-	11,931	-	-	1,634,676	1,994,508	-	13,693,732
Total current assets	408,868	33,438,683	30,360,009	18,323,004	7,250,552	35,639,354	10,042,496	21,019	517,374	79,149	56,912	9,521,836	78,624,988	(2,004,295,082)	118,100,752
Investments	-	-	114,356	986,523	-	-	-	-	-	-	-	-	-	(300,000)	14,679,817
Property, plant and equipment, net	12,611	27,556	3,465,397	2,934	3,260,003	6,254,619	25,575,883	-	1,143,905	-	-	40,795	3,154,473	-	79,788,585
Operating lease right-of-use assets	-	5,275,169	1,206,488	-	-	-	46,136,115	-	271,013	-	-	555,908	3,033,804	-	80,477,674
Finance lease right-of-use assets	-	-	49,077	-	-	40,661,525	-	-	-	-	-	-	-	-	64,584,992
Contributed space receivable, net	-	-	-	-	-	-	37,618,209	-	-	-	-	-	-	-	37,618,209
Beneficial interest in trust	-	-	-	4,904,028	-	-	-	-	-	-	-	-	-	-	5,618,494
Other assets	-	-	-	103,351	-	-	-	-	-	-	-	-	684,979	-	917,605
Goodwill, net	-	-	-	-	-	100,002	-	-	-	-	-	-	-	-	100,002
	12,611	5,302,725	4,835,318	5,996,836	3,260,003	47,016,146	109,330,207	-	1,414,918	-	-	596,703	6,873,256	(300,000)	283,785,378
Total assets	$ 421,479	$ 38,741,408	$ 35,195,327	$ 24,319,840	$ 10,510,555	$ 82,655,500	$ 119,372,703	$ 21,019	$ 1,932,292	$ 79,149	$ 56,912	$ 10,118,539	$ 85,498,244	$ (2,004,595,082)	401,886,130
LIABILITIES AND NET ASSETS															
Current liabilities															
Accounts payable and accrued liabilities	$ 6,843	$ 508,207	$ 625,578	$ 8,666	$ 43,393	$ 2,248,855	$ 290,343	$ 99	$ 85,185	$ 33,487	$ 5,222	$ 839,769	$ 8,757,210	$ -	40,593,271
Intercompany payable	957,421	26,627,709	39,455,418	14,009,593	6,378,405	34,200,370	20,706,104	359,819	509,061	167,426	101,347	5,016,154	58,653,065	(2,004,295,082)	-
Deferred revenues	-	-	361,514	-	-	2,313,197	688,720	9,583	226,562	212,500	-	-	3,249,626	-	9,705,641
Advances from government agency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	40,206
Current portion of finance lease liabilities	-	-	21,877	-	-	604,351	-	-	-	-	-	-	-	-	1,855,208
Current portion of operating lease liabilities	-	1,059,021	529,584	-	-	-	(1,629,767)	-	153,493	-	-	220,319	1,949,595	-	8,211,515
Current portion of notes payable	-	-	-	-	-	-	2,435,452	-	4,530	-	-	-	-	-	6,091,875
Total current liabilities	964,264	28,194,937	40,993,971	14,018,259	6,421,798	39,366,773	22,490,852	369,501	978,831	413,413	106,569	6,076,242	72,609,496	(2,004,295,082)	66,497,716
Notes payable, net of current portion	-	-	-	-	-	-	3,429,691	-	156,283	-	-	-	-	-	36,563,976
Revolving loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,779,439
Finance lease liabilities, net of current portion	-	-	42,185	-	-	42,998,411	-	-	4,148	-	-	-	-	-	76,606,669
Operating lease liabilities, net of current portion	-	5,080,587	757,617	-	-	-	54,443,323	-	122,392	-	-	378,491	1,088,526	-	81,296,059
Other liabilities	-	(51,223)	162,764	160,913	461,787	77,978	1,742,027	-	2,207	-	219,866	480,022	5,594,226	-	17,010,363
Total liabilities	964,264	33,224,301	41,956,537	14,179,172	6,883,585	82,443,162	82,105,893	369,501	1,263,861	413,413	326,435	6,934,755	79,292,248	(2,004,295,082)	298,754,222
Net assets															
Without donor restrictions	(542,785)	5,517,107	(9,605,032)	5,236,640	3,626,970	212,338	(3,028,560)	(348,482)	668,431	(334,264)	(269,523)	3,183,784	5,164,584	(300,000)	53,293,447
Without donor restrictions - non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	1,041,412	-	898,819
With donor restrictions	-	-	2,843,822	4,904,028	-	-	40,295,370	-	-	-	-	-	-	-	48,939,642
Total net assets	(542,785)	5,517,107	(6,761,210)	10,140,668	3,626,970	212,338	37,266,810	(348,482)	668,431	(334,264)	(269,523)	3,183,784	6,205,996	(300,000)	103,131,908
Total liabilities and net assets	$ 421,479	$ 38,741,408	$ 35,195,327	$ 24,319,840	$ 10,510,555	$ 82,655,500	$ 119,372,703	$ 21,019	$ 1,932,292	$ 79,149	$ 56,912	$ 10,118,539	$ 85,498,244	$ (2,004,595,082)	$ 401,886,130

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

The FEDCAP Group

CONSOLIDATING SCHEDULE OF ACTIVITIES

Year ended September 30, 2025

	Without Donor Restrictions														
	Fedcap Group	**Fedcap Rehabilitation Services, Inc.**	**Fedcap Inc.**	**Fedcap Investment Corporation**	**Fedcap VR Technologies LLC**	**Fedcap NYC Inc.**	**Wildcat Services Corporation**	**Easter Seals MS**	**ReServe**	**Community Work Service**	**Easter Seals NY**	**Granite Pathways**	**Easter Seals RI**	**Single Stop**	**Seacoast Pathways**
Operating revenues															
Contract services and products	$ -	$ 98,859,644	$ 1,272,904	$ -	$ -	$ -	$ 23,239,373	$ -	$ 4,453,349	$ 1,494,451	$ -	$ -	$ -	$ -	$ -
Rehabilitation and vocational programs	547,952	9,211,905	26,227,482	-	1,182,278	10,897,174	752,115	-	721,541	3,319,594	21,968,085	2,211,880	3,540,645	3,854,274	9,639
Contribution and grant revenues	899,801	1,360,494	116,884	150,000	-	24,733	1,019,759	1,073,772	28,500	1,008,446	492,161	53,048	91,654	54,349	573,211
Inherent contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Employee retention credits	(201)	6,420,961	-	-	-	-	-	-	-	60,530	2,011,082	-	204,497	542,153	-
Realized and unrealized gains on investments	1,116,416	-	-	-	-	-	-	-	-	-	8,602	-	-	-	-
Interest income	359,924	972,059	-	-	-	-	-	-	308	12,029	249,204	-	65,834	72,791	-
Miscellaneous revenue	2,152,242	7,255	443	-	-	-	5,832	3	-	1,350	569,216	20,090	1,754	-	-
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	5,076,134	116,832,318	27,617,713	150,000	1,182,278	10,921,907	25,017,079	1,073,775	5,203,698	5,896,400	25,298,350	2,285,018	3,904,384	4,523,567	582,850
Operating expenses															
Program services															
Contract services and products	-	94,057,963	1,080,868	132,000	-	-	20,967,575	-	3,712,122	1,166,299	-	-	-	-	-
Rehabilitation and vocational programs	1,108,209	8,440,925	26,293,639	-	975,388	8,273,024	1,555,130	817,754	1,276,044	3,191,747	21,829,453	1,976,516	2,605,094	3,589,034	647,491
	1,108,209	102,498,888	27,374,507	132,000	975,388	8,273,024	22,522,705	817,754	4,988,166	4,358,046	21,829,453	1,976,516	2,605,094	3,589,034	647,491
Supporting services															
Management and general	6,860	7,987,994	1,992,733	9,348	206,890	957,307	1,865,185	208,136	-	754,505	3,720,370	175,537	506,054	2,020,434	69,943
Development	1,303,448	1,216,622	-	-	-	-	2	4,568	(6,639)	189,243	1,801	636	1,354	156	7,301
	1,310,308	9,204,616	1,992,733	9,348	206,890	957,307	1,865,187	212,704	(6,639)	943,748	3,722,171	176,173	507,408	2,020,590	77,244
Total operating expenses	2,418,517	111,703,504	29,367,240	141,348	1,182,278	9,230,331	24,387,892	1,030,458	4,981,527	5,301,794	25,551,624	2,152,689	3,112,502	5,609,624	724,735
Change in net assets from operations	2,657,617	5,128,814	(1,749,527)	8,652	-	1,691,576	629,187	43,317	222,171	594,606	(253,274)	132,329	791,882	(1,086,057)	(141,885)
Nonoperating activities															
Foreign exchange transactions loss	(14,644)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to shareholder	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in net assets from nonoperating activities	(14,644)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	2,642,973	5,128,814	(1,749,527)	8,652	-	1,691,576	629,187	43,317	222,171	594,606	(253,274)	132,329	791,882	(1,086,057)	(141,885)
Net assets at beginning of period - without donor restrictions	(2,892,602)	37,072,371	10,087,395	(35,838)	(291,007)	405,583	3,559,049	(37,949)	(2,398,349)	589,073	(5,691,437)	(1,660,864)	1,794,686	(4,525,601)	(659,628)
Net assets at end of period - without donor restrictions	$ (249,629)	$ 42,201,185	$ 8,337,868	$ (27,186)	$ (291,007)	$ 2,097,159	$ 4,188,236	$ 5,368	$ (2,176,178)	$ 1,183,679	$ (5,944,711)	$ (1,528,535)	$ 2,586,568	$ (5,611,658)	$ (801,513)
	With Donor Restrictions														
Revenues															
Contribution and grant revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,090	$ -	$ -	$ -	$ -	$ -
Realized and unrealized gains on investments	-	-	-	-	-	-	-	-	-	-	45,322	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	2,705	63	-	-	-	-	-
Net assets released from restrictions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-	-	2,705	10,153	45,322	-	-	-	-
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	-	-	-	-	-	-	-	2,705	10,153	45,322	-	-	-	-
Net assets at beginning of period - with donor restrictions	-	-	-	-	-	-	-	-	89,963	79,135	669,144	-	-	-	-
Net assets at end of period - with donor restrictions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 92,668	$ 89,288	$ 714,466	$ -	$ -	$ -	$ -

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

The FEDCAP Group

CONSOLIDATING SCHEDULE OF ACTIVITIES - CONTINUED

Year ended September 30, 2025

	Without Donor Restrictions														
	Benevolent	MVLE	Easter Seals CT	Easter Seals NT	These Our Treasures	Fedcap Apex Technical School Inc.	Civic Hall Labs	New York Tech Alliance	TACT Kids Inc.	Runway of Dreams Foundation	Gamut Management	Fedcap Canada	Fedcap UK	Eliminations	Consolidated
Operating revenues															
Contract services and products	$ -	$ 5,669,734	$ 498,896	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,998,706	$ 510,782	$ -	$ 140,997,839
Rehabilitation and vocational programs	-	5,102,690	7,878,004	252,790	1,078,937	27,906,425	5,719,260	17,292	2,069,183	-	75,594	41,294,918	56,967,460	-	232,807,117
Contribution and grant revenues	5,273	(1,327)	2,195,484	147,819	2,909	205,000	612,729	39,590	660,345	183,073	-	-	-	-	10,997,707
Inherent contribution	-	-	-	-	-	-	-	-	-	-	-	-	72,002	-	72,002
Employee retention credits	-	806,446	514,027	476,822	74,465	1,603,963	-	4,600	-	-	-	-	-	-	12,719,345
Realized and unrealized gains on investments	-	-	-	160,532	-	-	-	-	-	-	-	-	-	-	1,285,550
Interest income	-	218,132	148,246	162,330	2,477	417,560	3,834	1,007	2,165	-	-	-	(339)	-	2,687,561
Miscellaneous revenue	1	-	53,699	75,002	7,259	193,569	15,948	-	17,118	1,674	-	-	(1,021)	(1,610,205)	1,511,229
Net assets released from restrictions	-	-	113,913	-	-	-	2,677,161	-	-	-	-	-	-	-	2,791,074
Total revenues	5,274	11,795,675	11,402,269	1,275,295	1,166,047	30,326,517	9,028,932	62,489	2,748,811	184,747	75,594	46,293,624	57,548,884	(1,610,205)	405,869,424
Operating expenses															
Program services															
Contract services and products	-	4,015,010	578,241	-	-	-	-	-	-	-	-	-	192,602	-	125,902,680
Rehabilitation and vocational programs	-	4,613,056	10,042,692	358	1,128,735	18,891,657	13,964,271	171,173	2,503,102	12,834	26,512	39,872,090	39,746,340	-	213,552,268
	-	8,628,066	10,620,933	358	1,128,735	18,891,657	13,964,271	171,173	2,503,102	12,834	26,512	39,872,090	39,938,942	-	339,454,948
Supporting services															
Management and general	2,765	2,130,526	2,615,016	309,499	143,019	7,337,160	536,132	6,876	212,580	476,764	318,605	5,455,313	16,180,005	-	56,205,556
Development	26,067	24	151,123	30,864	-	-	-	-	669	29,413	-	-	-	-	2,956,652
	28,832	2,130,550	2,766,139	340,363	143,019	7,337,160	536,132	6,876	213,249	506,177	318,605	5,455,313	16,180,005	-	59,162,208
Total operating expenses	28,832	10,758,616	13,387,072	340,721	1,271,754	26,228,817	14,500,403	178,049	2,716,351	519,011	345,117	45,327,403	56,118,947	-	398,617,156
Change in net assets from operations	(23,558)	1,037,059	(1,984,803)	934,574	(105,707)	4,097,700	(5,471,471)	(115,560)	32,460	(334,264)	(269,523)	966,221	1,429,937	(1,610,205)	7,252,268
Nonoperating activities															
Foreign exchange transactions loss	-	-	-	-	-	-	-	-	-	-	-	(254,611)	194,541	-	(74,714)
Dividends paid to shareholder	-	-	-	-	-	-	-	-	-	-	-	-	(1,820,161)	1,610,205	(209,956)
Change in net assets from nonoperating activities	-	-	-	-	-	-	-	-	-	-	-	(254,611)	(1,625,620)	1,610,205	(284,670)
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(23,558)	1,037,059	(1,984,803)	934,574	(105,707)	4,097,700	(5,471,471)	(115,560)	32,460	(334,264)	(269,523)	711,610	(195,683)	-	6,967,598
Net assets at beginning of period - without donor restrictions	(519,227)	4,480,048	(7,620,229)	4,302,066	3,732,677	(3,885,362)	2,442,911	(232,922)	635,971	-	-	2,472,174	6,401,679	(300,000)	47,224,668
Net assets at end of period - without donor restrictions	$ (542,785)	$ 5,517,107	$ (9,605,032)	$ 5,236,640	$ 3,626,970	$ 212,338	$ (3,028,560)	$ (348,482)	$ 668,431	$ (334,264)	$ (269,523)	$ 3,183,784	$ 6,205,996	$ (300,000)	$ 54,192,266

	With Donor Restrictions														
Revenues															
Contribution and grant revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,090
Realized and unrealized gains on investments	-	-	-	103,403	-	-	-	-	-	-	-	-	-	-	148,725
Interest income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,768
Net assets released from restrictions	-	-	(113,913)	-	-	-	(2,677,161)	-	-	-	-	-	-	-	(2,791,074)
Total revenues	-	-	(113,913)	103,403	-	-	(2,677,161)	-	-	-	-	-	-	-	(2,629,491)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	-	-	(113,913)	103,403	-	-	(2,677,161)	-	-	-	-	-	-	-	(2,629,491)
Net assets at beginning of period - with donor restrictions	-	-	2,957,735	4,800,625	-	-	42,972,531	-	-	-	-	-	-	-	51,569,133
Net assets at end of period - with donor restrictions	$ -	$ -	$ 2,843,822	$ 4,904,028	$ -	$ -	$ 40,295,370	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,939,642

This schedule should be read in conjunction with the accompanying consolidated financial statements and notes thereto.

WHITNEY H. BROWN

wbrown@granitepathways.org

QUALIFICATIONS/LICENSURE

Association of Community Rehabilitation Educators – ACRE (March 2022)
NH Licensed Acupuncture Detoxification Specialist
Certified Sober Parenting Journey Facilitator (Nov 2018)
Certified Recovery Support Worker Supervisor, (CRSW Supervisor, license 148)
Mental Health First Aid National Instructor (certified April 2018)
NH Licensed Nursing Assistant (2015-2020)

EDUCATION

UNIVERSITY OF NEW HAMPSHIRE — Durham, NH
Master of Social Work (Leave of Absence) — October 2022

UNH INSTITUTE ON DISABILITY — Durham, NH
Building Futures Apprenticeship — Oct 2021 – May 2023

GRANITE STATE COLLEGE — Concord, NH
Micro Credential in Addiction Studies — Jun 2020 – Jun 2021

UNH PROFESSIONAL EXTENSION SCHOOL — Durham, NH
Introduction to Grant Writing — Sept 2019
Introduction to Basic Project Mgt. — Oct 2019

CITY UNIVERSITY OF NEW YORK — New York, NY
Marketing Principles — Fall 2010
Business Law in the Digital Age — Spring 2011

BOSTON COLLEGE — Chestnut Hill, MA
BA in International Studies — Sept 2004 – May 2008

INTERNATIONAL. UNIV.OF BUSINESS & ECON.
Semester Abroad in Beijing, China — Jan 2007 – May 2007

EXPERIENCE

SAFE HARBOR RECOVERY CENTER — Oct 2022-Present — Portsmouth, NH

Director

Responsible for all day-to-day operations as an SUD outpatient treatment facility
Provide and oversee quality and person-centered direct recovery support service for clients with co-occurring disorders
Ensure client safety and triage and/or perform crisis intervention
Appropriately respond to displays or communication of imminent threat and/danger
Hire and train new staff
Develop and implement new strategies, programs, policies and procedures
Design and implement marketing strategy and initiatives

SAFE HARBOR RECOVERY CENTER — Oct 2021 – Oct 2022 — Portsmouth, NH

Center Manager

Manage the Job Launch Program
Manage the Parenting Journey in Recovery Program
Manage the Homeless Outreach Program
Manage Peer Recovery Support Services
Supervise all staff and volunteers
Advance and sustain all recovery community organizational activity
Cultivate donor relations
Establish and develop community partnerships
Ensure HIPAA and 42 CFR compliance

JOB LAUNCH OF GRANITE PATHWAYS — Sept 2020 – Oct 2021 — Portsmouth, NH

Contract Manager & CRSW

Manage contract deliverables
Qualify and quantify key performance indicators
Supervise staff and interns
Assist in employee professional development and licensure
Ensure HIPAA and 42 CFR compliance
Educate employees and volunteers in confidentiality practices
Support business development
Draft and submit grant proposals
Develop service integration with other Statewide workforce and recovery initiatives
Assist participants in career exploration and development
Place participants in recovery-support work environments & Recovery Friendly Workplaces
Facilitate vocational classes in SUD treatment settings

JOB LAUNCH OF GRANITE PATHWAYS Feb 2020 – Sept 2020 Portsmouth, NH

Employment Specialist & CRSW

Offer direct peer recovery support services through motivational conversation
Facilitate and coordinate Power of Possible work readiness curriculum
Conduct psychosocial intakes
Establish and maintain client relationships on peer recovery support basis
Initiate and cultivate relationships with client referral sources
Formulate initial comprehensive service plans
Coordinate with and delegate to Job Developer in service of clients' needs
Structure referral processes
Navigate privacy and confidentiality laws of telehealth and recovery coaching practice
Draft and submit to Contractors quarterly reports
Formulate records retainment procedures
Contribute to creation of programmatic materials including marketing brochure
Assist with work readiness activities including resume drafting and proper interviewing

SAFE HARBOR RECOVERY CENTER Sept 2018 – Feb 2020 Portsmouth, NH

Facilitator/ Parenting Journey Coord. & CRSW

Assist individuals in defining and articulating their desired pathway of recovery
Monitor and support individuals in achieving desired pathway of recovery
Motivationally interview participants to develop actionable goals
Validate and advocate for recoverees seeking expanded parental rights
Navigation of and proficiency with family court system and parental rights in NH
Leverage existing community resources to level obstacles in the way of health stability

PRIVATE DUTY HOME HEALTHCARE March 2017 – Sept 2018 Kittery, ME

Personal Care Assistant

MAXIM HEALTHCARE SERVICES March 2016 – March 2018 Manchester, NH

Licensed Nursing Assistant

NEW CASTLE FIRE DEPARTMENT Oct 2016 – May 2020 New Castle, NH

Member; Support Medical Team

RISE ABOVE SOBER LIVING Aug – Oct 2015 Nashua, NH

House Manager

GUNDERSON DETTMER, et al Nov 2010 – April 2012 New York, NY

Legal Secretary Nov 2011 – April 2012

Receptionist Nov 2010 – Nov 2011

INTERNATIONAL VENUE GROUP March 2010 – Aug 2010 Shanghai, PRC

USA Pavilion Server

MANDARIN PRIVATE TUTORING Nov 2009 – Feb 2010 Shanghai, PRC

English Tutor

<u>MANDARIN ORIENTAL HOTEL</u> Sept 2008 – May 2009 Boston, MA

Asana Server

<u>WENTWORTH BY THE SEA HOTEL</u> Summers 2002 – 2008 New Castle, NH

Server