CFS Self-Directed Supports, Inc.

Financial Statements
Years Ended June 30, 2025 and 2024

The report accompanying these financial statements was issued by
BDO USA, P.C., a Virginia professional corporation, and the U.S. member
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Years Ended June 30, 2025 and 2024

CFS Self-Directed Supports, Inc.

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Independent Auditor's Report

The Board of Directors
CFS Self-Directed Supports, Inc.
New York, New York

Opinion

We have audited the financial statements of CFS Self-Directed Supports, Inc. (CFS Self-Directed), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CFS Self-Directed as of June 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 in accordance with auditing standards generally accepted in the United States of America (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 CFS Self-Directed and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CFS Self-Directed's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CFS Self-Directed'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.

BDO USA, P.C.

November 26, 2025

CFS Self-Directed Supports, Inc.

Statements of Financial Position

June 30,		**2025**		2024
Assets				
Cash and cash equivalents	**$**	**681,871**	$	1,994,909
Accounts receivable, net of allowance for current expected credit losses		**3,382,400**		3,369,953
Prepaid expenses and other assets		**22,109**		15,063
Total Assets	**$**	**4,086,380**	$	5,379,925
Liabilities and Net Deficit				
Liabilities				
Accounts payable and accrued expenses	**$**	**382,957**	$	340,327
Accrued salaries and related expenses payable		**564,320**		712,130
Accrued retirement plan payable		**413,531**		389,605
Due to related party		**3,115,911**		3,682,262
Advances from government agencies		**255,601**		255,601
Total Liabilities		**4,732,320**		5,379,925
Commitments and Contingencies				
Net Deficit				
Without donor restrictions		**(645,940)**		-
Total Liabilities and Net Deficit	**$**	**4,086,380**	$	5,379,925

See accompanying notes to financial statements.

CFS Self-Directed Supports, Inc.

Statements of Activities

Year ended June 30,	**2025**	2024
	(Without Donor Restrictions)	
Operating Revenues		
Government fees	**$ 26,581,136**	$ 24,951,400
Grants	**234,443**	589,514
Total Operating Revenues	**26,815,579**	25,540,914
Expenses		
Program services:		
Home-based services	**25,030,249**	23,348,515
Supporting services:		
Management and general	**1,819,427**	2,091,099
Total Expenses	**26,849,676**	25,439,614
Change in Net Assets, before credit loss expense and non-operating revenue	**(34,097)**	101,300
Credit Loss Expense (Note 2)	**(620,046)**	-
Non-Operating Revenue		
Other revenue	**8,203**	-
Change in Net Assets	**(645,940)**	101,300
Net Assets, beginning of year	**-**	-
ASC 326 Transition Adjustment (Note 2)	**-**	(101,300)
Net Deficit, end of year	**$ (645,940)**	$ -

See accompanying notes to financial statements.

CFS Self-Directed Supports, Inc.

Statement of Functional Expenses

Year ended June 30, 2025

	Program Services	Supporting Services	
	Home-Based Services	Management and General	Total
Salaries and wages	$ 13,799,482	$ -	$ 13,799,482
Fringe benefits	2,548,455	-	2,548,455
Total Salaries and Wages and Fringe Benefits	16,347,937	-	16,347,937
Participant incidentals	3,909,868	-	3,909,868
Management fee	-	1,819,427	1,819,427
Contracted services	1,129,523	-	1,129,523
Family reimbursement	952,233	-	952,233
Housing subsidy	978,688	-	978,688
Transportation	905,521	-	905,521
Computer services	302,993	-	302,993
Supplies	192,452	-	192,452
Utilities	116,336	-	116,336
Professional fees	50,781	-	50,781
Food	40,493	-	40,493
Telephone and cable	37,089	-	37,089
Household supplies	24,410	-	24,410
Repairs and maintenance	13,546	-	13,546
Staff development	6,852	-	6,852
Miscellaneous	21,527	-	21,527
Total Expenses	$ 25,030,249	$ 1,819,427	$ 26,849,676

CFS Self-Directed Supports, Inc.

Statement of Functional Expenses

Year ended June 30, 2024

	Program Services	Supporting Services	
	Home-Based Services	Management and General	Total
Salaries and wages	$ 13,064,997	$ -	$ 13,064,997
Fringe benefits	2,281,451	-	2,281,451
Total Salaries and Wages and Fringe Benefits	15,346,448	-	15,346,448
Participant incidentals	3,495,098	-	3,495,098
Management fee	-	2,091,099	2,091,099
Contracted services	1,064,137	-	1,064,137
Family reimbursement	920,510	-	920,510
Housing subsidy	824,653	-	824,653
Transportation	710,745	-	710,745
Computer services	344,903	-	344,903
Supplies	190,238	-	190,238
Utilities	92,253	-	92,253
Professional fees	44,542	-	44,542
Food	36,668	-	36,668
Telephone and cable	31,988	-	31,988
Household supplies	19,822	-	19,822
Repairs and maintenance	15,161	-	15,161
Staff development	3,245	-	3,245
Miscellaneous	208,104	-	208,104
Total Expenses	$ 23,348,515	$ 2,091,099	$ 25,439,614

See accompanying notes to financial statements.

CFS Self-Directed Supports, Inc.

Statements of Cash Flows

Year ended June 30,		**2025**		2024
Cash Flows from Operating Activities				
Change in net assets	**$**	**(645,940)**	$	101,300
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:				
Credit loss expense		**620,046**		-
Change in assets:				
Accounts receivable		**(632,493)**		(596,068)
Prepaid expenses and other assets		**(7,046)**		38,866
Change in liabilities:				
Accounts payable and accrued expenses		**42,630**		(130,551)
Accrued salaries and related expense payable		**(147,810)**		44,786
Accrued retirement plan payable		**23,926**		136,153
Due to related party		**(566,351)**		1,760,978
Advances for government agencies		**-**		255,601
Net Cash (Used in) Provided by Operating Activities		**(1,313,038)**		1,611,065
Change in Cash and Cash Equivalents		**(1,313,038)**		1,611,065
Cash and Cash Equivalents, beginning of year		**1,994,909**		383,844
Cash and Cash Equivalents, end of year	**$**	**681,871**	$	1,994,909
Supplemental Disclosure of Cash Flow information				
ASC 326 transition adjustment (Note 2)	**$**	**-**	$	(101,300)

See accompanying notes to financial statements.

1. Nature of Organization

CFS Self-Directed Supports, Inc. (CFS Self-Directed) was incorporated in May 2018 under the New York State nonprofit incorporation laws to provide self-direction and fiscal intermediary services for individuals with intellectual and developmental disabilities.

The Center for Family Support, Inc. (CFS-NY) is the controlling member of CFS Self-Directed.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting and conform to the accounting principles generally accepted in the United States of America (GAAP), as applicable to not-for-profit organizations. Assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Financial Statement Presentation

The classification of CFS Self-Directed's net assets and its support, revenue, and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets—without donor restrictions and with donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

Income from investment gains and losses, including unrealized gains and losses, dividends, and interest, should be reported as increases (or decreases) in net assets without donor restrictions, unless the use of the income received is limited by donor-imposed restrictions.

The classes of net assets are defined as follows:

Net Assets Without Donor Restrictions – Net assets without donor restrictions represent those resources that are not subject to donor restrictions and are available for current operations.

Net Assets with Donor Restrictions – This class consists of net assets resulting from contributions and other inflows of assets whose use by CFS Self-Directed is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of CFS Self-Directed, and those that either expire by passage of time or can be fulfilled and removed by actions of CFS Self-Directed pursuant to those stipulations. When such stipulations end or are fulfilled, such net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions in the statements of activities. There were no net assets with donor restrictions at June 30, 2025 and 2024.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and public support and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

For financial reporting purposes, CFS Self-Directed considers all highly liquid investments, with maturities of three months or less when purchased, to be cash and cash equivalents.

Revenue and Accounts Receivable, Net of Current Expected Credit Losses

CFS Self-Directed recognizes revenue when control of the services is transferred in an amount that reflects the consideration to which CFS Self-Directed expects to be entitled based on established rates multiplied by the number of units of service provided. CFS Self-Directed receives its revenue for services provided to approved clients from the New York State Office for People with Developmental Disabilities (OPWDD). To the extent amounts received exceed the amounts spent, CFS Self-Directed establishes an advance from government funders. Laws and regulations governing Medicaid programs are subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Additionally, noncompliance with such laws and regulations could result in fines, penalties, and exclusion from Medicaid programs. Accounts receivable represent amounts due from the aforementioned third-party agencies, and amounts are charged to bad-debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management.

Accounts receivable balances are further reduced by an allowance for current expected credit losses. CFS Self-Directed has adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 326, *Financial Instruments – Credit Losses,* model in its financial statements for the years ended June 30, 2025 and 2024. CFS Self-Directed provides services to individuals with intellectual and other developmental disabilities and bills third-party payors within days of the service being provided, and typically expects to receive payment within 60 days of the service being provided.

CFS Self-Directed reviews its accounts receivable on a regular basis and analyzes these balances for potential credit losses based on a “roll-rate” methodology. Under a “roll-rate” methodology, loss rates for each aging bucket take into account the migration of each balance through the various aging buckets to determine the appropriate credit loss rate for each bucket. CFS Self-Directed consider other available external data and management’s reasonable outlook for business and economic conditions over the life of the receivables. In accordance with ASC 326-20-30-2, CFS Self-Directed determined that similar risk characteristics existed for receivables with similar days outstanding, regardless of payor class, so the pools for the allowance for credit losses were calculated based on aging buckets.

Management anticipates that historic loss rates will be consistent during the next fiscal year and concluded that no adjustments to its methodology or inputs are required. Management applies these forecasts to create the following credit loss matrix to calculate the allowance for credit losses:

June 30, 2025		
Balance, beginning of year	$	111,221
Provision for expected credit losses for the current period		620,046
Write-offs charged against the allowance		(620,046)
Balance, end of year	$	111,221

June 30, 2024		
Balance, beginning of year	$	9,921
Impact on the adoption of the new credit loss standard		101,300
Balance, end of year	$	111,221

There were no recoveries on prior years' credit losses for the years ended June 30, 2025 and 2024. Recoveries when received are recorded as a reduction in the credit loss expense.

Contributions and Grants

Contributions to CFS Self-Directed are recognized as revenue upon the receipt of cash or other assets or of unconditional pledges. Contributions are recorded as with donor restrictions if they are received with donor stipulations or time considerations as to their use. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved. There were no restricted contributions received during the year.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Measure of Operations

In its statements of activities, CFS Self-Directed includes in its definition of operations all income and expenditures that are an integral part of its self-directed and fiscal intermediary services. Excluded from this definition is other revenues. CFS Self-Directed considers its change in net assets as its performance indicator.

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, direct costs have been functionalized within program and supporting services based on the nature of the expense. Indirect costs related to salaries and wages and fringe benefits, contracted services, and other amounts are allocated based on management's estimate of time and effort.

Income Taxes

CFS Self-Directed was incorporated in the state of New Jersey and is exempt from federal and state income taxes under Section 501I(3) of the Internal Revenue Code (IRC) and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, CFS Self-Directed has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the IRC. There was no unrelated business income (UBIT) for the years ended June 30, 2025 and 2024.

CFS Self-Directed is subject to the provisions of the FASB ASC 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. For CFS Self-Directed, these provisions could be applicable to the incurrence of UBIT, attributable to the disallowed transportation fringe benefits. Nonetheless, because of CFS Self-Directed's general tax-exempt status, ASC 740 has not had, and is not anticipated to have, a material impact on CFS Self-Directed's financial statements.

For the years ended June 30, 2025 and 2024, there were no interest or penalties recorded or included in the statements of activities.

Reclassifications

Certain amounts included in the fiscal year 2024 financial statements have been reclassified to conform to the fiscal year 2025 presentation.

3. Liquidity and Availability of Resources

CFS Self-Directed's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

June 30,		**2025**		2024
Cash and cash equivalents	**$**	**681,871**	$	1,994,909
Accounts receivable, net of allowance for current expected credit losses		**3,382,400**		3,369,953
Total Financial Assets Available to Management for General Expenditures Within One Year	**$**	**4,064,271**	$	5,364,862

Liquidity Policy

CFS Self-Directed's policy is to structure its financial assets to be available for its general expenditures, liabilities, and other obligations as they come due.

4. Accounts Receivable, Net of Allowance for Current Expected Credit Losses

Accounts receivable, net of credit losses, consist of the following:

June 30,		**2025**		2024
New York State Office for People with Developmental Disabilities	**$**	**3,493,621**	$	3,481,174
Allowance for current expected credit losses		**(111,221)**		(111,221)
Accounts Receivable	**$**	**3,382,400**	$	3,369,953

The allowance for credit losses was $111,221 for both the years ended June 30, 2025 and 2024. CFS-Self Directed writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with CFS-Self Directed's accounting policy election.

5. Related Parties

CFS Self-Directed is related to the CFS-NY through common Board membership. CFS-NY is located in New York City and is a not-for-profit agency that provides support and assistance to individuals with developmental and related disabilities and their families. The financial statements of CFS-Self

Directed are presented on a standalone basis and are also included in the consolidated financial statements of CFS-NY. The consolidated financial statements of CFS-NY are available on its website. CFS-NY follows the same accounting policies and basis of accounting as CFS-Self Directed.

CFS-NY provides financial support to CFS Self-Directed and also provides management services for a fee. Management services paid to CFS-NY amounted to $1,819,427 and $2,091,099 for the years ended June 30, 2025 and 2024, respectively. Amounts due to CFS-NY from CFS Self-Directed as of June 30, 2025 and 2024 amounted to $3,115,911 and $3,682,262, respectively.

6. Employee Benefit Plan

CFS Self-Directed participates in the Center for Family Support, Inc. Retirement Plan which covers employees who work a minimum of 1,000 hours after one year of service. The plan is funded by discretionary employer contributions. Related expenses were $413,531 and $393,732 for the years ended June 30, 2025 and 2024, respectively. In addition, CFS Self-Directed has a tax-sheltered annuity plan that is funded entirely by employees through a salary-reduction election.

7. Concentrations and Credit Risk

CFS Self-Directed received a contract agreement and fee-for-services from OPWDD of $26,581,136 and $24,951,400 for fiscal years 2025 and 2024, respectively. Such revenue represented approximately 100% of government fees in both fiscal years 2025 and 2024.

CFS Self-Directed maintains its cash and cash equivalents in high-credit-quality financial institutions in amounts that, at times, may exceed federally insured limits. CFS Self-Directed has not experienced any losses in such accounts, and management believes that CFS Self-Directed is not exposed to any significant risk of loss due to the failure of the financial institutions.

8. Revenue and Accounts Receivable

CFS Self-Directed adopted ASC 606, *Revenue from Contracts with Customers,* in fiscal year 2019. This approach results in no adjustment to prior reporting periods. Government fees are reported at the amount that reflects the consideration to which CFS Self-Directed be entitled in exchange for providing services. The transaction price amount is based upon established rates provided by the state of New York dependent upon type of service performed, such as Self Direction and Fiscal Intermediary mainly funded by OPWDD. Since CFS Self-Directed's performance obligations are satisfied when the service has been performed, all of CFS Self-Directed's revenues presented below are recognized at a point in time.

Throughout the year, rates may vary as determined by the state of New York, and CFS Self-Directed will record additional revenue as a result of a rate increase and record a reduction of revenue with a rate decrease. These rate adjustments represent variable consideration, and CFS Self-Directed considers these amounts in determination of the transaction price.

CFS Self-Directed's revenues subject to ASC 606, by service type, are as follows:

Year ended June 30,	**2025**	2024
Government fees	**$ 26,581,136**	$ 24,951,400
Total Revenue Subject to ASC 606	**$ 26,581,136**	$ 24,951,400

CFS Self-Directed's accounts receivable subject to ASC 606 consist of the following:

June 30,	**2025**	2024
Accounts receivable from government fees	**$ 3,382,400**	$ 3,369,953

As substantially all of its performance obligations relate to established rate agreements with a duration of less than one year, CFS Self-Directed has elected to apply the optional exemption provided in Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers,* and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

9. Subsequent Events

CFS Self-Directed has performed subsequent events procedures through November 26, 2025, the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements.