

**CONTACT COMMUNITY SERVICES, INC.**

**Financial Statements as of  
December 31, 2025  
Together with  
Independent Auditor's Report and  
Single Audit Reports**

## **INDEPENDENT AUDITOR'S REPORT**

May 27, 2026

To the Board of Directors of  
Contact Community Services, Inc.:

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Contact Community Services, Inc. (the Organization) (a nonprofit organization) which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***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 the Organization'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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## INDEPENDENT AUDITOR'S REPORT

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### ***Auditor's Responsibility 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Report on Summarized Comparative Information***

We have previously audited the Organization's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 22, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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## INDEPENDENT AUDITOR'S REPORT

(Continued)

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 27, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

# CONTACT COMMUNITY SERVICES, INC.

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

(With Comparative Totals for 2024)

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 2,714,882	\$ 2,821,759
Program service fee receivables	536,809	344,892
Grants receivable	542,204	1,207,316
Prepaid expenses	<u>34,041</u>	<u>37,986</u>
Total current assets	3,827,936	4,411,953
INVESTMENTS	6,209,314	3,896,217
PROPERTY AND EQUIPMENT, net	691,485	713,844
OPERATING LEASE RIGHT-OF-USE ASSETS	<u>40,633</u>	<u>51,917</u>
Total assets	<u>\$ 10,769,368</u>	<u>\$ 9,073,931</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 119,488	\$ 119,359
Accrued expenses	391,301	341,728
Refundable advances	1,112,385	1,279,019
Current portion of long-term debt	44,597	41,885
Current portion of operating lease liabilities	<u>10,742</u>	<u>10,706</u>
Total current liabilities	1,678,513	1,792,697
DUE TO NEW YORK STATE	5,007,729	3,998,481
LONG-TERM DEBT, net current portion	323,807	363,748
OPERATING LEASE LIABILITIES, net current portion	<u>30,433</u>	<u>41,028</u>
Total liabilities	<u>7,040,482</u>	<u>6,195,954</u>
NET ASSETS - WITHOUT DONOR RESTRICTIONS	<u>3,728,886</u>	<u>2,877,977</u>
Total liabilities and net assets	<u>\$ 10,769,368</u>	<u>\$ 9,073,931</u>

The accompanying notes are an integral part of these statements.

# CONTACT COMMUNITY SERVICES, INC.

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2025 (With Comparative Totals for 2024)

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	<u>2025</u>	<u>2024</u>
SUPPORT AND REVENUE:		
Grants	\$ 6,289,040	\$ 5,090,899
Allocated by United Way of Central New York	98,440	118,968
Program service fees	1,896,475	1,714,394
Direct contributions	30,290	21,115
Net investment income	<u>397,715</u>	<u>275,079</u>
Total support and revenue	<u>8,711,960</u>	<u>7,220,455</u>
EXPENSES:		
Program services -		
Crisis intervention services	3,949,576	3,228,417
School services	<u>2,949,516</u>	<u>2,844,216</u>
Total program services	<u>6,899,092</u>	<u>6,072,633</u>
Supporting services -		
Management and general	961,837	816,179
Fundraising	<u>122</u>	<u>3,312</u>
Total supporting services	<u>961,959</u>	<u>819,491</u>
Total expenses	<u>7,861,051</u>	<u>6,892,124</u>
CHANGES IN NET ASSETS	850,909	328,331
NET ASSETS - beginning of year	<u>2,877,977</u>	<u>2,549,646</u>
NET ASSETS - end of year	<u>\$ 3,728,886</u>	<u>\$ 2,877,977</u>

The accompanying notes are an integral part of these statements.

**CONTACT COMMUNITY SERVICES, INC.**

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

(With Comparative Totals for 2024)

	Program Services			Supporting Services			Total	
	Crisis Intervention Services	School Services	Total	Management and General	Fundraising	Total	2025	2024
EXPENSES:								
Salaries and related expenses	\$ 3,373,933	\$ 2,501,696	\$ 5,875,629	\$ 679,433	\$ -	\$ 679,433	\$ 6,555,062	\$ 5,780,713
Supplies	115,912	55,702	171,614	21,447	110	21,557	193,171	269,147
Professional fees and contracts	131,352	199,236	330,588	137,730	-	137,730	468,318	276,529
Conferences and meetings	30,084	86,775	116,859	11,002	-	11,002	127,861	108,476
Telephone and data expense	135,725	25,760	161,485	8,620	-	8,620	170,105	133,765
Occupancy	40,850	16,301	57,151	15,008	-	15,008	72,159	64,056
Repairs and maintenance - equipment	21,171	15,395	36,566	53,502	12	53,514	90,080	90,471
Staff travel and student transportation	675	6,998	7,673	471	-	471	8,144	3,673
Insurance	12,674	5,063	17,737	11,517	-	11,517	29,254	28,351
Program publicity and promotion	24,370	14,432	38,802	117	-	117	38,919	34,874
Dues and subscriptions	13,690	3,731	17,421	5,169	-	5,169	22,590	17,830
Postage	3,237	275	3,512	1,378	-	1,378	4,890	3,277
Depreciation	28,122	11,066	39,188	10,263	-	10,263	49,451	47,362
Interest	17,781	7,086	24,867	6,180	-	6,180	31,047	33,600
Total - 2025	<u>\$ 3,949,576</u>	<u>\$ 2,949,516</u>	<u>\$ 6,899,092</u>	<u>\$ 961,837</u>	<u>\$ 122</u>	<u>\$ 961,959</u>	<u>\$ 7,861,051</u>	<u>\$ 6,892,124</u>
Total - 2024	<u>\$ 3,228,417</u>	<u>\$ 2,844,216</u>	<u>\$ 6,072,633</u>	<u>\$ 816,179</u>	<u>\$ 3,312</u>	<u>\$ 819,491</u>	<u>\$ 6,892,124</u>	

The accompanying notes are an integral part of these statements.

## CONTACT COMMUNITY SERVICES, INC.

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2025 (With Comparative Totals for 2024)

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	<u>2025</u>	<u>2024</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 850,909	\$ 328,331
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Realized and unrealized gain on investments	(79,834)	(68,797)
Depreciation	49,451	47,362
Amortization of debt issuance costs	4,656	4,656
Changes in:		
Program service fee receivables	(191,917)	(38,122)
Grants receivable	665,112	(864,533)
Prepaid expenses	3,945	15,215
Accounts payable	129	(39,866)
Accrued expenses	49,573	82,631
Operating leases	725	(183)
Due to New York State	1,009,248	1,514,487
Refundable advances	(166,634)	(134,073)
Net cash flow from operating activities	<u>2,195,363</u>	<u>847,108</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of investments	(6,602,087)	(3,881,958)
Proceeds from sale of investments	4,368,824	797,633
Purchase of property and equipment	(27,092)	(11,987)
Net cash flow from investing activities	<u>(2,260,355)</u>	<u>(3,096,312)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(41,885)	(39,338)
Net cash flow from financing activities	<u>(41,885)</u>	<u>(39,338)</u>
CHANGE IN CASH	(106,877)	(2,288,542)
CASH - beginning of year	<u>2,821,759</u>	<u>5,110,301</u>
CASH - end of year	<u>\$ 2,714,882</u>	<u>\$ 2,821,759</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 26,391</u>	<u>\$ 28,944</u>

The accompanying notes are an integral part of these statements.

# CONTACT COMMUNITY SERVICES, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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### 1. ORGANIZATION

Contact Community Services, Inc. (the Organization) helps individuals and organizations create positive personal and social change to improve the quality of lives in Central New York. The Organization is a recognized leader in fostering healthy emotional development in the community. The Organization offers resources and expertise that builds upon the strengths of the diverse individuals and organizations it serves.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### **Financial Reporting**

The Organization reports its activities and the related net assets using the following categories:

- **Net Assets Without Donor Restrictions**

Net assets without donor restrictions include resources that are available for the support of the Organization's operating activities.

- **Net Assets With Donor Restrictions**

Net assets with donor restrictions include resources that have been donated to the Organization subject to restrictions as defined by the donor. The satisfaction of these restrictions is reflected as net assets released from restrictions in the statement of activities. There were no net assets with donor restrictions as of December 31, 2025 and 2024.

#### **Cash**

Cash includes demand deposit accounts, which at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to its cash.

#### **Program Service Fee Revenue and Receivables**

Program service fee revenue relates to fee-for-service contracts with customers to provide training, consultation services, and educational programs. Program service fees are established by contracts with customers. Revenue is recognized when control of the promised services is transferred to the customer. Revenue for short-term programs is recognized at a point in time when the program is delivered. Revenue for long-term programs is recognized over time as services are provided, as the customer simultaneously receives and consumes the benefits of the services performed.

Program service fee receivables represent amounts due from customers for services provided. Receivables are recorded at the invoiced amount and are presented net of an allowance for credit losses. At December 31, 2023, program service fee receivables totaled \$306,770.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Grant Revenue and Receivables

The Organization receives grants from federal, state, and local government agencies and other organizations to support its programs.

Unconditional grants are recognized as revenue in the period received or promised. Conditional grants are not recognized as revenue until the conditions on which they depend are substantially met, at which time revenue is recognized. Amounts received prior to satisfying grant conditions are recorded as refundable advances in the accompanying statement of financial position.

The Organization has adopted a policy whereby government and other grants are recorded as without donor restrictions if any donor-imposed restrictions expire in the same reporting period in which the revenue is recognized.

At December 31, 2023, grants receivable totaled \$342,783 and refundable advances totaled \$1,413,092.

Conditional grants were received with the following conditions that were not yet met as of December 31:

	<u>2025</u>
Meeting requirements as required by OMB	
<i>Compliance Supplement</i>	\$ 3,379,008
Operating 2-1-1 program	<u>317,006</u>
	<u>\$ 3,696,014</u>

Grant receivables represent amounts due from grantors for eligible expenditures incurred or conditions met under grant agreements. A receivable is recognized to the extent support exceeds cash advances received. Grant receivables are recorded at the amount management expects to collect and are presented net of an allowance for credit losses.

### Allowance for Credit Losses

The Organization maintains an allowance for credit losses for program service fee receivables in accordance with ASC 326. The allowance represents management's estimate of expected credit losses over the contractual life of receivables.

The estimate is determined using a pooled approach when similar risk characteristics exist and on an individual basis when specific balances no longer share similar risk characteristics. The allowance is based on historical loss experience and current conditions. In developing the historical component, the Organization considers historical losses relative to gross receivables and subsequent collections through May 27, 2026. Management assumes that future economic conditions will be consistent with those existing as of the balance sheet date.

Receivables are written off when management determines amounts are uncollectible. Recoveries of amounts previously written off are recorded when received.

At December 31, 2025 and 2024, the Organization determined that an allowance for credit losses was not necessary.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Investments

Investments are recorded at fair value based on quoted market prices. Investment income or loss (including realized and unrealized gains and losses, interest and dividends) is included in changes in net assets.

Investment securities are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying financial statements.

### Fair Value

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization uses various valuation techniques in determining fair value. U.S. GAAP establishes a hierarchy for inputs used in measuring fair value that 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 developed based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about how market participants would price the asset or liability, developed based on the best information available in the circumstances.

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

- Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities. Valuation adjustments are not applied to Level 1 instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 – Valuations are based on quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and market corroborated inputs which are derived principally from or corroborated by observable market data.
- Level 3 – Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary and is affected by a wide variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Money market funds and certificates of deposit are recorded at cost which approximates fair value.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Fair Value (Continued)**

#### Level 1 Fair Value Measurements

The fair value of U.S. Treasury bonds, common stocks, mutual funds and exchange traded funds are based on quoted prices in an open market.

#### Level 2 Fair Value Measurements

The fair value of corporate bonds are determined by entering standard inputs into a pricing model.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization's management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain investments could result in a different fair value measurement at the reporting date.

There were no changes in valuation techniques in 2025 or 2024.

### **Property and Equipment**

Property and equipment is recorded at cost if purchased or fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, generally 5 to 30 years. When property is retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recorded in the statement of activities. The Organization capitalizes items over \$5,000 that have a useful life of greater than one year. Expenses for repairs and maintenance are charged to expense as incurred.

### **Leases**

The Organization determines if an arrangement is a lease at inception. Right-of-use (ROU) assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Organization is reasonably certain to exercise these options.

For all underlying classes of assets, the Organization has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of twelve months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes fixed short-term lease cost on a straight-line basis over the lease term and variable lease cost in the period in which the obligation is incurred.

The Organization elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable and to not separate the lease and non-lease components of a contract and to account for as a single lease component.

Certain lease agreements include rental payments based on usage. Variable lease costs are excluded from the measurement of the ROU asset and lease liability and are expensed in the period incurred.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Leases (Continued)**

In evaluating contracts to determine if they qualify as a lease, the Organization considers factors such as if the Organization obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

### **Due to New York State**

Due to New York State represents amounts advanced in excess of the amount eligible for reimbursement.

### **Debt Issuance Costs**

Debt issuance costs, which represent the cost of obtaining certain financing, are being amortized using the straight-line method over the term of the mortgage, which approximates the effective interest method. Debt issuance costs are presented net with the long-term debt on the statement of financial position. The amortization of these costs are recognized as interest expense on the statement of functional expenses.

### **Contributed Services**

Volunteers have donated significant amounts of time to the Organization's programs. The value of these services is not reflected in the accompanying statements as these services do not meet the criteria for recognition under GAAP.

### **Allocation of Certain Expenses**

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. The costs are charged on a direct basis, where possible. Certain categories of expenses are attributable to one or more program or supporting functions. Those expenses include salaries and related expenses, depreciation, and occupancy related costs. Salaries and related expenses are allocated based on time spent in the various programs in accordance with time and effort reports completed by employees. Depreciation and occupancy related expenses are allocated based on square footage used.

### **Income Tax Status**

The Organization is a not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified by the Internal Revenue Service as not a private foundation as defined in Section 509(a) of the Internal Revenue Code.

### **Use of Estimates**

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

### **Comparative Information**

The financial statements include certain prior year summarized comparative information in total, but not by functional expense classification. Such information does not include sufficient detail to constitute a presentation in accordance with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was obtained.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Recently Adopted Accounting Guidance

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*,” which provides a practical expedient and an accounting policy election related to the estimation of expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606. Effective January 1, 2025, the Organization adopted the practical expedient and accounting policy election available under ASU 2025-05. The practical expedient and the accounting policy election are being applied on a prospective basis from the adoption date. There was not a material impact to the financial statements as a result of the adoption of the practical expedient and the accounting policy election.

The Organization elected the practical expedient which allows for entities to assume that the current conditions in effect at the balance sheet date will remain the same throughout the duration of the life of current accounts receivable assessed for credit losses. The Organization also made a policy election to consider subsequent collections in the evaluation of the allowance for credit losses on current accounts receivable. Subsequent collections have been evaluated through May 27, 2026.

## 3. LIQUIDITY

The Organization’s financial assets available within one year of the statement of financial position date for general expenditure were as follows at December 31:

	<u>2025</u>	<u>2024</u>
Cash	\$ 2,714,882	\$ 2,821,759
Program service fee receivables	536,809	344,892
Grants receivable	542,204	1,207,316
Investments	<u>6,209,314</u>	<u>3,896,217</u>
	<u>\$ 10,003,209</u>	<u>\$ 8,270,184</u>

The Organization has a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization’s ability to meet its cash needs is dependent on timely collection of its grants and program service fee receivables. In addition, the Organization has a \$500,000 committed line of credit which could be drawn upon in the event of an unanticipated liquidity need.

#### 4. INVESTMENTS

Investments consisted of the following at December 31:

	<u>2025</u>	<u>2024</u>
Money market funds	\$ 459,712	\$ 118,581
Certificates of deposit	138,184	25,179
U.S. Treasury bonds	4,756,147	3,063,148
Common stocks	263,031	244,047
Mutual funds	61,050	27,173
Exchange traded funds	517,330	408,094
Corporate bonds	<u>13,860</u>	<u>9,995</u>
	<u>\$ 6,209,314</u>	<u>\$ 3,896,217</u>

#### 5. FAIR VALUE MEASUREMENTS

The following investments are measured at fair value on a recurring basis using the following input levels at December 31, 2025:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury bonds	\$ 4,756,147	\$ -	\$ -	\$ 4,756,147
Common stocks	263,031	-	-	263,031
Mutual funds	61,050	-	-	61,050
Exchange traded funds	517,330	-	-	517,330
Corporate bonds	<u>-</u>	<u>13,860</u>	<u>-</u>	<u>13,860</u>
	<u>\$ 5,597,558</u>	<u>\$ 13,860</u>	<u>\$ -</u>	<u>\$ 5,611,418</u>

The following are measured at fair value on a recurring basis using the following input levels at December 31, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury bonds	\$ 3,063,148	\$ -	\$ -	\$ 3,063,148
Mutual funds	244,047	-	-	244,047
Mutual funds	27,173	-	-	27,173
Exchange traded funds	408,094	-	-	408,094
Corporate bonds	<u>-</u>	<u>9,995</u>	<u>-</u>	<u>9,995</u>
	<u>\$ 3,742,462</u>	<u>\$ 9,995</u>	<u>\$ -</u>	<u>\$ 3,752,457</u>

## 6. PROPERTY AND EQUIPMENT

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

	<u>2025</u>	<u>2024</u>
Building	\$ 1,154,899	\$ 1,151,399
Furniture and equipment	125,638	125,638
Building improvements	<u>106,193</u>	<u>82,603</u>
	1,386,730	1,359,640
Less: Accumulated depreciation	<u>(695,245)</u>	<u>(645,796)</u>
	<u>\$ 691,485</u>	<u>\$ 713,844</u>

## 7. LEASES

The Organization leases certain office equipment with non-cancellable lease terms through 2029 which have been classified as operating leases.

The components of total lease cost for the years ended December 31, were as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 12,696	\$ 17,948
Short-term lease costs	<u>2,184</u>	<u>2,184</u>
Total lease costs	<u>\$ 14,880</u>	<u>\$ 20,132</u>

Supplemental cash flow information related to leases for the year ended December 31, are as follows:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 12,696	\$ 17,948
ROU assets obtained in exchange for lease obligations:		
Operating leases	\$ -	\$ 53,711
Weighted-average remaining lease term:	3.65 years	4.61 years
Weighted-average discount rate:	4.36%	4.32%

## 7. LEASES (Continued)

Maturities of operating lease liabilities are as follows for the years ending December 31:

2026	\$	12,695
2027		11,755
2028		11,435
2029		<u>8,576</u>
		44,461
Less: Interest		<u>(3,286)</u>
Total present value of lease liabilities		41,175
Less: Current portion		<u>(10,742)</u>
Long-term portion of lease liabilities	\$	<u><u>30,433</u></u>

## 8. FINANCING ARRANGEMENTS

### Long-Term Debt

The Organization has a mortgage payable requiring principal and interest payments of \$5,690 through March 2033. Interest is payable at a fixed rate of 4.0% for the first five years and then the rate is variable, calculated as the Federal Home Loan Bank (FHLB) rate plus 2.25%, never to be less than 4%. The interest rate adjusted on March 27, 2023, to the current FHLB rate plus 2.25%. The outstanding principal balance of the loan was \$396,736 and \$438,621 at December 31, 2025 and 2024, respectively. Unamortized deferred financing costs were \$28,332 and \$32,988 at December 31, 2025 and 2024, respectively. The loan is secured by the underlying building.

Future maturities of the mortgage payable are as follows for the years ending December 31:

2026	\$	49,253
2027		50,022
2028		51,131
2029		54,441
2030		57,966
Thereafter		<u>133,923</u>
		396,736
Less: Unamortized debt issuance costs		<u>(28,332)</u>
	\$	<u><u>368,404</u></u>

### Line of Credit

At December 31, 2025 and 2024, the Organization has an available line of credit of \$500,000. Amounts borrowed are payable on demand and bear interest at prime plus .5% (7.25% and 8.00% at December 31, 2025 and 2024, respectively).

### Covenants

Under the terms and conditions of its financing arrangements, the Organization is required to comply with certain restrictive financial covenants including debt service coverage. Management determined that the Organization is in compliance with this covenant at December 31, 2025 and 2024.

## **9. RETIREMENT PLAN**

The Organization sponsors a defined contribution retirement plan covering all employees. The plan includes a salary deferral provision as defined by Internal Revenue Code Section 401(k). The employees electing to participate may defer a percentage of their annual salary not to exceed the statutory limit. For employees who are at least 21 years old and have completed one year of service, the Organization provides a contribution based upon management's discretion. Contributions to the plan, net of plan forfeitures, were \$56,518 and \$60,002 for the years ended December 31, 2025 and 2024, respectively, and are included in salaries and related expense on the statement of functional expenses.

## **10. COMMITMENTS AND CONTINGENCIES**

### **Third-Party Payers**

Third-party payers, especially governmental funders, have substantially increased their scrutiny of payments made to their designated service providers. Specific areas for review by the governmental payers and their investigative personnel include appropriate billing practices, reimbursement maximization strategies, technical regulation compliance, etc. The stated purpose for these reviews is to recover reimbursements that the payers believe may have been inappropriate.

The Organization has reviewed its internal records and policies with respect to such matters. However, due to the nature of these matters, it is difficult to estimate the ultimate liability, if any, which may incur related to such matters.

## **11. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 27, 2026, the date the financial statements were available to be issued.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

May 27, 2026

To the Board of Directors of  
Contact Community Services, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Contact Community Services, Inc. (a non-profit organization) (the Organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 27, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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(Continued)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

(Continued)

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

May 27, 2026

To the Board of Directors of  
Contact Community Services, Inc.:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Contact Community Services, Inc.'s (the Organization) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2025. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(Continued)

## ***Auditor's Responsibility for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

(Continued)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

(Continued)

**Report on Internal Control Over Compliance (Continued)**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**CONTACT COMMUNITY SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Education:			
Pass-through from:			
North Syracuse Central School District - Twenty-First Century Community Learning Centers	84.287	NSCSD-21 Century	\$ 36,212
Twenty-First Century Community Learning Centers	84.287	NSCSD-21 Century	<u>38,911</u>
Total - U.S. Department of Education			<u>75,123</u>
U.S. Department of Health and Human Services:			
Pass-through from:			
New York State Office of Mental Health - Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	T24316GM	373,270
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	C24586GM	<u>581,386</u>
			954,656
New York State Office of Mental Health - Block Grants for Community Mental Health Services	93.958	C21503GG	80,793
Pass-through from:			
Onondaga County Department of Children and Family Services - Block Grants for Prevention and Treatment of Substance Abuse	93.959	CON250006	<u>601,669</u>
Total - U.S. Department of Health and Human Services			<u>1,637,118</u>
			<u>\$ 1,712,241</u>

The accompanying notes are an integral part of this schedule.

## **CONTACT COMMUNITY SERVICES, INC.**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2025**

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#### **1. BASIS OF PRESENTATION**

The schedule of expenditures of federal awards (the Schedule) includes federal grant activity of Contact Community Services, Inc. (the Organization) and is presented on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Organization.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Amounts included in the Schedule are actual expenditures for the year ended December 31, 2025. Differences between amounts included in the Schedule and amounts reported to funding agencies for these programs result from report timing.

#### **3. INDIRECT COST**

The Organization has elected not to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

#### **4. SUBRECIPIENTS**

The Organization does not have any subrecipients of federal awards.

**CONTACT COMMUNITY SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2025**

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**A. SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?  yes  no  
Significant deficiencies identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards**

Internal control over major programs:  
Material weakness(es) identified?  yes  no  
Significant deficiencies identified?  yes  none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?  yes  no

Identification of major programs:

**Assistance**

**Listing**

<u>Number</u>	<u>Program Title</u>
---------------	----------------------

93.959	Block Grants for Prevention and Treatment of Substance Abuse
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Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee  yes  no

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

None