

# Developmental Disabilities Institute, Inc.

Financial Statements  
Year Ended December 31, 2025

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# **Developmental Disabilities Institute, Inc.**

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Financial Statements  
Year Ended December 31, 2025

# Developmental Disabilities Institute, Inc.

## Contents

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Independent Auditor's Report	3-4
<b>Financial Statements</b>	
Statement of Financial Position as of December 31, 2025	5-6
Statement of Activities for the Year Ended December 31, 2025	7
Statement of Functional Expenses for the Year Ended December 31, 2025	8
Statement of Cash Flows for the Year Ended December 31, 2025	9
Notes to Financial Statements	10-23



## **Independent Auditor's Report**

The Board of Directors  
Developmental Disabilities Institute, Inc.  
Smithtown, New York

### ***Opinion***

We have audited the financial statements of Developmental Disabilities Institute, Inc. (the Agency), 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 accompanying financial statements present fairly, in all material respects, the financial position of the Agency 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 (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 the Agency 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 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 the Agency's ability to continue as a going concern within one year after the date that the 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 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 the Agency'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 Agency'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 Developmental Disabilities Institute, Inc.'s 2024 financial statements and our report dated May 20, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**BDO USA**

May 14, 2026

# Developmental Disabilities Institute, Inc.

## Statement of Financial Position (with comparative totals for 2024)

<i>December 31,</i>	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 21,181,071	\$ 22,315,942
Assets limited as to use, current portion	1,579,825	79,741
Accounts receivable, net of allowance for current expected credit losses of \$440,394	21,809,029	26,688,129
Government and other grants receivable	473,245	600,514
Contributions and pledges receivable	85,940	74,445
Prepaid expenses and other assets, current portion	1,351,884	1,559,393
<b>Total Current Assets</b>	<b>46,480,994</b>	<b>51,318,164</b>
<b>Security Deposits</b>	<b>159,080</b>	<b>159,080</b>
<b>Prepaid Expenses and Other Assets, less current portion</b>	<b>140,252</b>	<b>-</b>
<b>Right-of-Use Asset - Operating Leases</b>	<b>9,536,235</b>	<b>10,779,065</b>
<b>Right-of-Use Asset - Finance Leases</b>	<b>2,747,068</b>	<b>2,635,747</b>
<b>Other Assets</b>	<b>22,320</b>	<b>22,320</b>
<b>Assets Limited as to Use, less current portion</b>	<b>5,015,872</b>	<b>5,143,236</b>
<b>Fixed Assets, Net</b>	<b>32,195,877</b>	<b>32,149,372</b>
<b>Total Assets</b>	<b>\$ 96,297,698</b>	<b>\$ 102,206,984</b>

# Developmental Disabilities Institute, Inc.

## Statement of Financial Position (with comparative totals for 2024)

<i>December 31,</i>	2025	2024
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 5,940,938	\$ 6,790,312
Accrued interest payable	216,736	227,168
Accrued payroll and related benefits	6,991,326	6,035,155
Accrued retirement contribution	1,691,182	2,243,018
Deferred revenue, current portion	1,877,966	4,300,383
Operating lease liabilities, current portion	1,245,644	1,152,595
Mortgages and loans payable, current portion	237,924	318,286
Finance lease liabilities, current portion	1,042,209	1,036,530
Bonds payable, current portion, less current portion of unamortized balance of deferred financing costs of \$41,082	1,038,918	999,323
Due to governmental agencies	1,030,896	786,873
<b>Total Current Liabilities</b>	<b>21,313,739</b>	<b>23,889,643</b>
<b>Deferred Revenue, less current portion</b>	<b>608,753</b>	<b>681,522</b>
<b>Operating Lease Liabilities, less current portion</b>	<b>8,973,980</b>	<b>10,219,624</b>
<b>Mortgages and Loans Payable, less current portion</b>	<b>2,052,433</b>	<b>2,519,695</b>
<b>Finance Lease Liabilities, less current portion</b>	<b>1,771,909</b>	<b>1,654,269</b>
<b>Bonds Payable, less current portion and long-term portion of unamortized balance of deferred financing costs of \$299,690</b>	<b>14,267,267</b>	<b>15,303,685</b>
<b>Total Liabilities</b>	<b>48,988,081</b>	<b>54,268,438</b>
<b>Net Assets</b>		
Net assets without donor restrictions	47,014,204	47,597,300
Net assets with donor restrictions	295,413	341,246
<b>Total Net Assets</b>	<b>47,309,617</b>	<b>47,938,546</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 96,297,698</b>	<b>\$ 102,206,984</b>

*See accompanying notes to financial statements.*

# Developmental Disabilities Institute, Inc.

## Statement of Activities (with comparative totals for 2024)

Year ended December 31,

	Without Donor Restrictions	With Donor Restrictions	Total	
			2025	2024
<b>Program Revenues</b>				
Fees for services	\$ 165,428,205	\$ -	\$ 165,428,205	\$ 153,145,925
Government and other grants	3,188,964	-	3,188,964	1,972,524
Other program revenues	2,594,442	-	2,594,442	2,404,789
Net assets released from restrictions	198,016	(198,016)	-	-
<b>Total Program Revenues</b>	<b>171,409,627</b>	<b>(198,016)</b>	<b>171,211,611</b>	<b>157,523,238</b>
<b>Expenses</b>				
Program services:				
Education services	46,222,633	-	46,222,633	45,658,620
Adult day services	39,488,087	-	39,488,087	33,397,136
Children's residential services	17,889,856	-	17,889,856	16,218,625
Adult residential services	60,114,304	-	60,114,304	51,959,438
Other programs	256,749	-	256,749	468,734
<b>Total Program Services</b>	<b>163,971,629</b>	<b>-</b>	<b>163,971,629</b>	<b>147,702,553</b>
Supporting services:				
Management and general	10,162,487	-	10,162,487	9,012,092
Fundraising	486,780	-	486,780	397,832
<b>Total Supporting Services</b>	<b>10,649,267</b>	<b>-</b>	<b>10,649,267</b>	<b>9,409,924</b>
<b>Total Expenses</b>	<b>174,620,896</b>	<b>-</b>	<b>174,620,896</b>	<b>157,112,477</b>
<b>Change in Net Assets, before non-operating revenues</b>	<b>(3,211,269)</b>	<b>(198,016)</b>	<b>(3,409,285)</b>	<b>410,761</b>
<b>Non-Operating Revenues</b>				
Special events revenues	406,574	-	406,574	354,864
Direct cost to donors	(120,478)	-	(120,478)	(97,236)
Net revenues from special events	286,096	-	286,096	257,628
Contributions	177,138	-	177,138	166,114
Gain on sale of fixed assets	142,029	-	142,029	294,816
Interest income	837,487	-	837,487	1,151,729
Other income	96,450	-	96,450	94,210
Prior-period revenue	1,088,973	-	1,088,973	86,696
Program-designated revenue	-	152,183	152,183	195,803
Board initiative revenue	-	-	-	1,642
<b>Total Non-Operating Revenues</b>	<b>2,628,173</b>	<b>152,183</b>	<b>2,780,356</b>	<b>2,248,638</b>
<b>Change in Net Assets</b>	<b>(583,096)</b>	<b>(45,833)</b>	<b>(628,929)</b>	<b>2,659,399</b>
<b>Net Assets, beginning of year</b>	<b>47,597,300</b>	<b>341,246</b>	<b>47,938,546</b>	<b>45,279,147</b>
<b>Net Assets, end of year</b>	<b>\$ 47,014,204</b>	<b>\$ 295,413</b>	<b>\$ 47,309,617</b>	<b>\$ 47,938,546</b>

*See accompanying notes to financial statements.*

**Developmental Disabilities Institute, Inc.**

**Statement of Functional Expenses  
(with comparative totals for 2024)**

Year ended December 31,

	Program Services					Supporting Services			Total		
	Education Services	Adult Day Services	Children's Residential Services	Adult Residential Services	Other Program Services	Total Program Services	Management and General	Fundraising	Total Supporting Services	2025	2024
<b>Salaries and Related Expenses</b>											
Salaries	\$ 30,971,087	\$ 22,951,186	\$ 9,373,975	\$ 39,381,558	\$ 47,230	\$ 102,725,036	\$ 5,263,902	\$ 211,341	\$ 5,475,243	\$ 108,200,279	\$ 96,214,726
Payroll taxes and employee benefits	10,799,302	5,978,556	2,319,519	10,962,269	14,144	30,073,790	1,705,392	45,165	1,750,557	31,824,347	29,640,650
<b>Total Salaries and Related Expenses</b>	<b>41,770,389</b>	<b>28,929,742</b>	<b>11,693,494</b>	<b>50,343,827</b>	<b>61,374</b>	<b>132,798,826</b>	<b>6,969,294</b>	<b>256,506</b>	<b>7,225,800</b>	<b>140,024,626</b>	<b>125,855,376</b>
<b>Other Expenses</b>											
Fee-for-services professionals	133,507	1,374,262	2,931,288	2,069,795	-	6,508,852	649,670	99,868	749,538	7,258,390	5,545,041
Building occupancy	692,303	1,586,171	1,111	15,040	80	2,294,705	30,919	12	30,931	2,325,636	2,358,511
Telephone	193,433	281,172	71,691	296,168	8,076	850,540	76,305	706	77,011	927,551	957,198
Travel	36,194	706,053	12,212	49,090	724	804,273	21,646	113	21,759	826,032	693,861
Supplies	469,269	3,179,356	403,869	991,223	16,441	5,060,158	1,195,437	36,746	1,232,183	6,292,341	5,477,656
Food and household	378	29,310	424,837	976,452	-	1,430,977	-	-	-	1,430,977	1,368,761
Office expense	145,478	38,966	25,102	48,781	18	258,345	200,284	22,066	222,350	480,695	480,415
Dues and subscriptions	733	2,560	3,020	1,030	-	7,343	72,828	2,197	75,025	82,368	72,696
Postage	16,314	2,543	3,653	928	6	23,444	5,805	1,027	6,832	30,276	40,576
Staff development	164,909	77,621	65,636	150,718	93,415	552,299	206,937	5,947	212,884	765,183	585,694
Legal and accounting	53,337	-	2,219	72,255	-	127,811	239,544	-	239,544	367,355	218,061
Utilities	365,373	534,258	176,696	532,598	38,809	1,647,734	58,996	1,283	60,279	1,708,013	1,599,056
Repairs and maintenance	807,611	518,305	328,374	858,345	9,540	2,522,175	93,440	4,942	98,382	2,620,557	2,627,463
Equipment and furniture	86,994	32,551	75,456	122,911	7	317,919	11,321	5,407	16,728	334,647	361,701
Interest	100,980	102,510	109,966	512,566	2,015	828,037	4,649	35	4,684	832,721	898,143
Insurance	459,356	719,850	262,704	1,002,476	3,162	2,447,548	96,155	3,279	99,434	2,546,982	2,329,884
Medicaid assessment taxes	-	-	786,125	210,570	-	996,695	-	-	-	996,695	976,401
Debt-related expenses	-	-	-	-	-	-	26,881	-	26,881	26,881	53,352
Transportation subcontracting fees	-	19,920	-	-	-	19,920	-	-	-	19,920	21,162
Vehicle expense	13,867	475,151	51,562	352,116	110	892,806	4,349	19	4,368	897,174	925,998
Bad debt expense	-	-	-	-	-	-	-	12,155	12,155	12,155	-
<b>Total Other Expenses, before depreciation and amortization</b>	<b>45,510,425</b>	<b>38,610,301</b>	<b>17,429,015</b>	<b>58,606,889</b>	<b>233,777</b>	<b>160,390,407</b>	<b>9,964,460</b>	<b>452,308</b>	<b>10,416,768</b>	<b>170,807,175</b>	<b>153,447,006</b>
<b>Depreciation and Amortization</b>	<b>712,208</b>	<b>877,786</b>	<b>460,841</b>	<b>1,507,415</b>	<b>22,972</b>	<b>3,581,222</b>	<b>198,027</b>	<b>34,472</b>	<b>232,499</b>	<b>3,813,721</b>	<b>3,665,471</b>
<b>Total Expenses</b>	<b>\$ 46,222,633</b>	<b>\$ 39,488,087</b>	<b>\$ 17,889,856</b>	<b>\$ 60,114,304</b>	<b>\$ 256,749</b>	<b>\$ 163,971,629</b>	<b>\$ 10,162,487</b>	<b>\$ 486,780</b>	<b>\$ 10,649,267</b>	<b>\$ 174,620,896</b>	<b>\$ 157,112,477</b>

*See accompanying notes to financial statements.*

# Developmental Disabilities Institute, Inc.

## Statement of Cash Flows (with comparative totals for 2024)

Year ended December 31,	2025	2024
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (628,929)	\$ 2,659,399
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	2,647,521	2,619,840
Amortization of right-of-use asset - finance leases	1,166,200	1,045,631
Interest expense related to deferred financing costs	53,177	67,353
Gain on sale of fixed assets	(142,029)	(294,816)
Bad debt expense related to contributions and pledges receivable	12,155	-
Change in discount on contributions and pledges receivables	-	(13)
Change in allowance for current expected credit losses	50,272	(1,203)
Non-cash operating lease expense	1,242,830	1,154,021
Changes in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	4,828,828	(8,657,092)
Government and other grants receivable	127,269	(2,272)
Contributions and pledges receivable	(23,650)	(33,037)
Prepaid expenses and other assets	67,257	(482,423)
Increase (decrease) in:		
Accounts payable and accrued expenses	(849,374)	1,200,361
Accrued interest payable	(10,432)	(1,289)
Accrued payroll and related benefits	956,171	899,172
Accrued retirement contribution payable	(551,836)	942,803
Deferred revenue	(2,495,186)	2,900,344
Due to governmental agencies	244,023	(833,705)
Principal reduction in operating lease liabilities	(1,152,595)	(1,041,366)
<b>Net Cash Provided by Operating Activities</b>	<b>5,541,672</b>	<b>2,141,708</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of fixed assets	(2,700,909)	(2,144,690)
Proceeds from sale of fixed assets	148,912	294,816
<b>Net Cash Used in Investing Activities</b>	<b>(2,551,997)</b>	<b>(1,849,874)</b>
<b>Cash Flows from Financing Activities</b>		
Repayments on finance lease liabilities	(1,154,202)	(1,030,351)
Principal payments on mortgages and loans payable	(547,624)	(316,516)
Principal payments on bonds payable	(1,050,000)	(1,475,000)
<b>Net Cash Used in Financing Activities</b>	<b>(2,751,826)</b>	<b>(2,821,867)</b>
<b>Net Increase (Decrease) in Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents</b>	<b>237,849</b>	<b>(2,530,033)</b>
<b>Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, beginning of year</b>	<b>27,538,919</b>	<b>30,068,952</b>
<b>Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents, end of year</b>	<b>\$ 27,776,768</b>	<b>\$ 27,538,919</b>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash paid for interest	\$ 832,721	\$ 898,143
Right-of-use assets obtained through operating leases	-	4,338,889
Right-of-use assets obtained through finance leases	1,277,521	1,442,545

*See accompanying notes to financial statements.*

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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### 1. Nature of the Organization

Developmental Disabilities Institute, Inc. (the Agency) is a New York State not-for-profit corporation founded in 1961 to address the special needs of children with autism and other developmental disabilities and provide therapeutic intervention. Today, the Agency is a multi-site corporation serving over 1,500 children and adults with autism and other developmental disabilities throughout Long Island, providing educational, residential, day habilitation, vocational services, and self-directed supports to help the individuals it serves experience personal growth and fulfillment. The Agency embodies its core values of integrity, dignity, compassion, and teamwork while providing innovative supports and services to its population.

### 2. Summary of Significant Accounting Policies

#### *Basis of Presentation*

The accompanying financial statements have been prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), as applicable to not-for-profit entities. In the statement of financial position, 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 the Agency'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-with donor restrictions and without 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 as net assets released from restrictions.

These classes are defined as follows:

*Net Assets with Donor Restrictions* - This class consists of net assets resulting from contributions and other inflows of assets whose use by the Agency is limited by donor-imposed stipulations that must be maintained in perpetuity or otherwise removed by either action of the Agency pursuant to donor-imposed stipulations and/or the passage of time. When such stipulations end or are fulfilled, such net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

*Net Assets Without Donor Restrictions* - This class consists of net assets that are without donor-imposed stipulations and/or net assets over which the Board of Directors has discretionary control in carrying out the operations of the Agency, in accordance with its charter and by-laws. From time-to-time, the Board of Directors designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion. For the year ended December 31, 2025, Board-designated net assets amounted to \$1,186,631.

#### *Cash, Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents*

The Agency considers all highly liquid instruments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents.

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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GAAP requires entities to show the changes in the total of cash, cash equivalents, restricted cash, and restricted cash equivalents in the statement of cash flows. As a result, entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows.

The Agency maintains debt service reserve funds in connection with future principal payments due on long-term debt obligations. These debt service reserve funds have been included in assets limited as to use on the statement of financial position. Assets limited as to use in the table reflect only the cash and cash equivalents portion of the total balance of assets limited as to use related to debt service reserve funds. See Note 3 for further information.

The following is a reconciliation of cash and cash equivalents between the statement of financial position and the statement of cash flows:

*December 31, 2025*

Cash and cash equivalents	\$ 21,181,071
Assets limited as to use	6,595,697
<hr/>	
<b>Total Cash and Cash Equivalents, Restricted Cash, and Restricted Cash Equivalents</b>	<b>\$ 27,776,768</b>

### *Accounts Receivable, Net of Allowance for Current Expected Credit Losses*

Accounts receivable, net of allowance for current expected credit losses, are recorded at the reimbursable amount and do not bear interest. In evaluating the collectability of accounts receivable, the Agency analyzes its past history and identifies trends for each of its major payor sources to estimate the appropriate transaction price, allowance for credit losses, and provision for credit losses. Management regularly reviews data about these major payor sources in evaluating the sufficiency of the allowance for credit losses. Actual results could differ from those estimates.

Accounts receivable balances are further reduced by an allowance for current expected credit losses. The Agency provides services to individuals with developmental disabilities, educational services, and other services and bills third-party payors (including government programs and health insurers) within days of the service being provided, and typically expects to receive payment within 60 days of the service being provided.

The Agency 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. The Agency considers other available external data and management’s reasonable outlook for business and economic conditions over the life of the receivables. In accordance with Accounting Standards Codification (ASC) 326-20-30-2, the Agency 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.

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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Management applies these forecasts to create the following credit loss matrix to calculate the allowance for credit losses:

*December 31, 2025*

Balance, beginning of year	\$	490,666
Adjustment to allowance for expected credit losses for the current period		(50,272)
<b>Balance, end of year</b>	<b>\$</b>	<b>440,394</b>

### ***Fixed Assets, Net***

Fixed assets, net, are stated at cost less accumulated depreciation and amortization. Items with a cost in excess of \$2,500 and an estimated useful life of greater than two years are capitalized. Depreciation and amortization are charged to expense using the straight-line method over the estimated useful life of each asset. Assets under leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

<u>Asset Category</u>	<u>Useful Life (Years)</u>
Buildings and building improvements	5-40
Furniture, fixtures, and office equipment	5-15
Vehicles and IT equipment	3-10

### ***Long-Lived Asset Impairment***

The Agency evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. There were no impairments of long-lived assets for the year ended December 31, 2025.

### ***Deferred Financing Costs***

Deferred financing costs are reflected as a reduction of the carrying amount of the related debt and are amortized on the straight-line basis over the term of the associated debt, which is not materially different than the effective interest method. Amortization of deferred financing costs is included in interest expense on the statement of functional expenses.

### ***Contributions and Pledges Receivable***

Contributions and pledges receivable, including unconditional promises to give, are recognized as revenues in the appropriate category of net assets in the period received. Promises to give are recorded at the present value of estimated future cash flows, based on an appropriate discount rate at the time of the gift. Amortization of the discount in subsequent years is included in contribution revenue. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Contributions for capital projects are reported as nonoperating revenues.

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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Conditional contributions, including conditional promises to give, are not recognized until the conditions are substantially met.

Unconditional promises to give are recorded in the financial statements at present value using a discount rate that represents risk-free interest rates applicable to the years in which promises are received. As the contributions and pledges receivable at December 31, 2025 are all expected to be collected within one year, the Agency did not discount these receivables at December 31, 2025.

Contributions receivable consists of \$988 for the capital campaign and \$84,952 for pledges receivable at December 31, 2025.

The capital campaign represents funds donated to the Agency for the purpose of renovations of the Little Plains School located in Huntington, New York and the Hollywood Drive campus located in Smithtown, New York, and expenses related to the capital campaign.

### ***Third-Party Reimbursements and Revenue Recognition***

The Agency receives substantially all of its revenue for services provided to approved clients from third-party reimbursement agencies—primarily the Office for People with Developmental Disabilities (OPWDD), New York State Department of Health, and the State Education Department (SED) of New York. These revenues are based on predetermined rates based on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediary. The financial statement impact of such adjustments is recognized in the period in which the retroactive adjustment occurred.

Fee-for-service revenue is generated from services to individuals with developmental disabilities, education services, and other services. These amounts are due from third-party payors (including government programs), and others, and include an estimate for variable consideration for retroactive revenue adjustments due to rate changes, settlement of audits, disallowances, reviews, and investigations. Generally, the Agency submits fee-for-service claims to third-party payors electronically through a state-wide system several days after the services are performed.

Revenue is recognized as performance obligations are satisfied over time based on actual charges incurred in relation to total expected (or actual) charges. The Agency measures revenue from the commencement of services to the continuation of services, and until services are no longer required. The Agency believes that this method provides a reasonable representation of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

As substantially all of its performance obligations relate to established rate agreements with a duration of less than one year, the Agency has elected, as part of its adoption of the revenue standard, to apply the optional exemption provided in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09 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.

Throughout the year, rates may vary as determined by New York State, and the Agency will record additional revenue resulting from a rate increase and record a reduction of revenue with a rate decrease. These rate adjustments represent variable consideration in the form of explicit or implicit price concessions and the Agency considers these amounts in determination of the transaction price.

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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The Agency determines its estimates of contractual adjustments based on contractual agreements, its policies, and historical experience. The Agency determines its estimates of explicit or implicit price concessions based on its historical collection experience.

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. The Agency is not aware of any allegations of noncompliance that could have a material adverse effect on the accompanying financial statements and believes that it is in compliance with all applicable laws and regulations.

As a practical expedient, the Agency utilizes the portfolio approach for analyzing the revenue contracts. The Agency accounts for the contracts within each portfolio collectively, rather than individually, based on each revenue stream. The Agency considers the similar nature and characteristics of the contract and customers in using the portfolio approach. The Agency believes that the use of the portfolio approach to analyze contracts will not differ materially than if the contracts were analyzed individually.

The following table shows the Agency's revenue disaggregated by payor:

*Year ended December 31, 2025*

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Medicaid (OPWDD/Early Intervention)	\$ 117,395,500
School Districts (School Age)	23,238,263
County (Preschool/Early Intervention)	23,007,496
Other	7,570,352
<b>Total Revenue</b>	<b>\$ 171,211,611</b>

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The following table shows the Agency's revenue disaggregated by service line:

*Year ended December 31, 2025*

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OPWDD	\$ 123,534,813
SED	47,169,567
Other	507,231
<b>Total Revenue</b>	<b>\$ 171,211,611</b>

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Revenue is recognized as earned from third parties and when received or pledged for contributions, special events, and fundraising activities.

Receivables from contracts with customers are as follows:

*December 31, 2025*

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Beginning of year	\$ 26,688,129
End of year	21,809,029

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# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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### ***Functional Expense Allocation Methodology***

Common costs incurred for the administration of the various programs are allocated directly to respective programs as incurred and/or utilizing predetermined allocation rates established by management. These expenses include depreciation, salaries, payroll taxes and employee benefits, and supplies. Depreciation is allocated based on estimated use of square footage. Other expenses are allocated based on estimates of time and effort.

### ***Concentration of Credit Risk***

Financial instruments that potentially subject the Agency to concentration of credit risk consist primarily of cash and cash equivalents. At various times, the Agency has cash deposits at financial institutions that exceed the Federal Deposit Insurance Corporation insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

### ***Income Taxes***

The Agency was incorporated in the state of New York and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, has made no provision for income taxes in the accompanying financial statements. In addition, the Agency has been determined by the Internal Revenue Service (IRS) not to be a “private foundation” within the meaning of Section 509(a) of the Code. There was no unrelated business income for the year ended December 31, 2025.

The Agency adopted the provisions of ASC 740, *Accounting for Uncertainty in Income Taxes*. Under ASC 740, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not that the position will not be sustained. The implementation of ASC 740 had no impact on the Agency’s financial statements. The Agency does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits. The Agency has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Agency has filed IRS Form 990 tax returns, as required, and all other applicable returns in jurisdictions where it is required. For the year ended December 31, 2025, there were no interest or penalties recorded or included in the statement of activities. The Agency is subject to routine audits by taxing authorities. As of December 31, 2025, the Agency was not subject to any examination by a taxing authority.

### ***Use of Estimates***

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### ***Comparative Financial Information***

The financial statements include certain prior-year summarized comparative information. With respect to the statement of activities, the prior-year information is presented in total, not by net asset class. With respect to the statement of functional expenses, the prior-year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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information should be read in conjunction with the Agency's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

### 3. Assets Limited as to Use

In connection with the issuance of the bonds discussed in Note 9, a portion of the proceeds were withheld from the Agency and deposited into debt service reserve funds to be used to fund the final debt payments. Additionally, in connection with the issuance of a term loan discussed in Note 8, the Agency is required to maintain collateral on deposit. The Agency has recorded the amounts held in reserve as assets limited as to use on the accompanying statement of financial position. These funds are primarily held in cash and cash equivalents and amounted to \$6,595,697 at December 31, 2025.

### 4. Accounts Receivable, Net

Accounts receivable, net, consist of the following:

*December 31, 2025*

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OPWDD	\$ 13,469,483
SED	8,054,669
Other	284,877
	<hr/>
	\$ 21,809,029

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### 5. Fixed Assets, Net

Fixed assets, net, including equipment under finance leases, consist of the following:

*December 31, 2025*

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Land	\$ 7,096,608
Buildings and building improvements	61,798,866
Furniture, fixtures, and office equipment	8,199,161
Vehicles	2,821,964
IT equipment	4,004,466
Leasehold improvements	2,119,046
	<hr/>
	86,040,111
Less: accumulated depreciation and amortization	(54,864,537)
	<hr/>
	31,175,574
Construction-in-progress	1,020,303
	<hr/>
	\$ 32,195,877

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Depreciation and amortization expense for the year ended December 31, 2025, was \$2,647,521. The estimated cost to complete the construction-in-progress is \$3,247,354.

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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### 6. Employee Benefit Plan

The Agency is the sponsor of a 403(b) tax-deferred annuity plan that covers all Agency employees meeting eligibility requirements. Employee contributions are immediately vested. The Agency also makes a discretionary contribution based upon a percentage of an employee's salary, which will become 100% vested after three or five years depending on date of hire. The accrued retirement contribution payable for the year ended December 31, 2025, was \$1,691,182 and is included as a part of payroll taxes and employee benefits in the statement of functional expenses.

### 7. Line of Credit

The Agency has a revolving line of credit with a bank of up to \$26,000,000 and expires on August 31, 2026. Interest is charged at the prevailing prime interest rate (6.75% as of December 31, 2025). There is no amount outstanding at December 31, 2025. The line of credit is secured by outstanding accounts receivable excluding any receivables, subject to subordination agreements.

### 8. Mortgages and Loans Payable

Mortgages and loans payable consist of the following:

*December 31, 2025*

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Various loans payable, due from April 2026 to June 2037, payable in current monthly installments ranging from \$4,395 to \$18,195, including interest from 3.94%-5.49%; secured by related vehicles, land, and buildings.	\$	2,290,357
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Mortgages and loans payable mature as follows:

*Year ending December 31,*

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2026	\$	237,924
2027		223,765
2028		233,659
2029		197,956
2030		164,596
Thereafter		1,232,457
		2,290,357
Less: current maturities		(237,924)
	\$	2,052,433

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Interest expense related to mortgages and loans payable for the year ended December 31, 2025, was \$114,084.

Certain mortgages and loans payable require the Agency to comply with certain financial covenants on an annual basis throughout the life of the bonds. The Agency was in compliance with these financial covenants as of December 31, 2025.

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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### 9. Bonds Payable

On August 29, 2012, the Agency obtained financing of \$20,016,071 through the Town of Huntington Local Development Corporation to renovate properties in Smithtown and Huntington, New York and to refinance outstanding amounts associated with financing obtained in 1993 and 1998 through Suffolk County Industrial Development Agency (SCIDA). The bond, which requires monthly interest payments, bears interest ranging from 2.5% to 3.8%. On June 1, 2022, the Agency fully paid the variable portion of these bonds, approximately \$2,760,000, and extinguished the debt recorded on the books. At December 31, 2025, \$2,814,476 remains outstanding.

On August 29, 2012, the Agency obtained financing of \$5,880,138 through the Suffolk County Economic Development Corporation to renovate properties in Hauppauge, New York and to refinance outstanding amounts associated with financing obtained in 1993, 1998, and 1999. The bond, which requires monthly interest payments, bears interest ranging from 2.5% to 4.4%. At December 31, 2025, \$282,482 remains outstanding.

On October 5, 2016, the Agency obtained financing of \$2,355,000 through the Dormitory Authority of New York State (DASNY) for properties in Deer Park, New York and Centereach, New York and to renovate properties in Smithtown, New York. The bond, which requires monthly interest payments, bears interest ranging from 1.5% to 4.0%. At December 31, 2025, \$1,730,000 remains outstanding.

On March 6, 2019, the Agency obtained financing of \$6,720,000 through DASNY for properties in East Setauket, New York; Dix Hills, New York; Coram, New York; Miller Place, New York; Greenlawn, New York; and Smithtown, New York. The bond, which requires monthly interest payments, bears interest ranging from 2.5% to 4%. At December 31, 2025, \$5,495,000 remains outstanding.

On May 5, 2021, the Agency obtained financing of \$3,535,000 through DASNY for properties in Smithtown, New York and Selden, New York. The bond, which requires monthly interest payments, bears interest ranging from 2.68% to 3.13%. At December 31, 2025, \$3,000,000 remains outstanding.

On July 14, 2023, the Agency obtained financing of \$2,490,000 through DASNY for properties in Port Jefferson, New York; Greenlawn, New York; and Calverton, New York. The bond, which requires monthly interest payments, bears interest ranging from 4.00% to 5.95%. At December 31, 2025, \$2,325,000 remains outstanding.

The bonds entered into with DASNY in years 2016, 2019, 2021, and 2023 are conduit debt securities since they are offered by a governmental entity not for its own use, but for the use of the Agency. As the conduit debt obligor, the Agency is required to make all interest and principal payments as they become due. The bonds are publicly held and, therefore, have additional financial reporting requirements.

The Agency is required to comply with certain financial covenants on an annual basis throughout the life of the bonds. The Agency was in compliance with these financial covenants as of December 31, 2025.

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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The aggregate principal maturities are as follows:

*Year ending December 31,*

2026	\$	1,080,000
2027		1,135,000
2028		750,000
2029		775,000
2030		760,000
Thereafter		11,146,957
		<hr/>
		15,646,957
Less: unamortized balance of deferred financing costs		(340,772)
Less: current maturities, less current portion of unamortized balance of deferred financing costs		(1,038,918)
		<hr/>
	\$	14,267,267

All bonds are secured by the related properties.

Interest expense related to the bonds for the year ended December 31, 2025, was \$547,462.

### 10. Lease Obligations

The Agency has adopted the provisions of ASC 842, *Leases*. For leases with initial terms of greater than one year (or initially, greater than one year remaining under the lease at the date of the adoption of ASC 842), the Agency records the related right-of-use (ROU) assets and liabilities at the present value of the remaining lease payments to be paid over the life of the related lease. Lease payments related to periods subject to renewal options are excluded from the amounts used to determine the present value of the remaining lease payments unless the Agency is reasonably certain to exercise the option to extend the lease. The present value of the lease payments is calculated by utilizing the discount rate stated in the lease, when readily determinable. For leases for which a discount rate is not readily available, the Agency has elected to use the risk-free rate based on the information available at the lease inception date. The Agency has made an accounting policy election not to separate lease components from non-lease components in contracts when determining its lease payments for all of its asset classes, as permitted by ASC 842. As such, the Agency accounts for the applicable non-lease components together with the related lease components when determining the ROU assets and liabilities. The Agency has made an accounting policy election not to record leases with an initial term of less than one year as ROU assets and liabilities in the statement of financial position.

The Agency has entered into finance lease arrangements for vehicles. These leases are deemed to be finance leases based on the underlying terms of the agreement and the criteria included in ASC 842. The leases are for various durations through 2030. The leases require monthly payments of principal and interest at rates ranging from 0.84% to 4.68% per annum.

The Agency has entered into operating lease arrangements for buildings and office space primarily for the operation of day habilitation and educational services. These leases are deemed to be operating leases based on the underlying terms of the agreement and the criteria included in

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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ASC 842. The leases are for various durations through December 31, 2034. The leases require monthly payments of principal and interest at rates ranging from 2.00% to 4.52% per annum.

The following tables summarize information related to leased assets and liabilities:

### *Year ended December 31, 2025*

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Finance lease expense:		
Amortization of ROU assets	\$	1,166,200
Interest on lease expense		106,665
Operating lease expense		1,242,830
	\$	2,515,695

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### *December 31, 2025*

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Right-of-use assets and liabilities:		
Right-of-use asset - operating leases	\$	9,536,235
Right-of-use asset - finance leases		2,747,068
Operating lease liabilities		10,219,624
Finance lease liabilities		2,814,118

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Supplemental cash flow information related to leases are as follows:

### *December 31, 2025*

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Cash paid for amounts included in the measurement of lease liabilities:		
Finance cash flows from finance leases	\$	1,154,202
Operating cash flows from operating leases		1,152,595

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### *December 31, 2025*

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ROU assets obtained in exchange or lease obligations:		
Operating leases	\$	-
Finance leases		1,277,521

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Other information related to leases was as follows:

### *Year ended December 31, 2025*

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Weighted-average remaining lease term:		
Finance leases		3.36 years
Operating leases		7.26 years
Weighted-average discount rate:		
Finance leases		3.91%
Operating leases		3.88%

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# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

Future payments required under the terms of the Agency's lease obligations are as follows:

*Year ending December 31,*

	Operating Leases	Finance Leases
2026	\$ 1,620,652	\$ 1,132,479
2027	1,668,680	682,067
2028	1,615,871	599,063
2029	1,491,446	442,506
2030	1,418,007	158,115
Thereafter	3,997,083	-
<b>Total Minimum Lease Payments</b>	<b>11,811,739</b>	<b>3,014,230</b>
Less: amounts representing interest	(1,592,115)	(200,112)
<b>Present Value of Net Minimum Lease Payments</b>	<b>10,219,624</b>	<b>2,814,118</b>
Less: current portion	(1,245,644)	(1,042,209)
	<b>\$ 8,973,980</b>	<b>\$ 1,771,909</b>

### 11. Commitments and Contingencies

For the year ended December 31, 2025, revenues from Medicare and Medicaid programs accounted for a significant portion of the Agency's revenues. The Agency believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. In the event that noncompliance is determined, the Agency would be subject to regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Additionally, the Agency is involved in certain disputes arising from the normal course of its businesses. In the opinion of management and on the advice of legal counsel, the expected outcome of such disputes, in the aggregate, will not have a material adverse effect on the Agency's financial position.

On July 15, 2015, the Agency entered into an irrevocable letter of credit amounting to \$3,816,837 from a bank in conjunction with the Agency's workers' compensation policy. From 2020 through 2024, the agreement was amended several times to increase the irrevocable letter of credit by a total of \$2,915,850. In 2025, the agreement was amended again to increase the irrevocable letter of credit by a net amount of \$529,986. The amount of this letter of credit at December 31, 2025 was \$7,262,673.

According to Chapter 56 of the Laws of 2022, relating to the New York State budget, Section 19-a allows approved school age and preschool special education providers to retain annual surplus amounts of 11% in the tuition-based programs for the 2022-2023, 2023-2024, and 2024-2025 school years. The surplus may only be expended pursuant to an authorization of the governing board of the school for a purpose in accordance with Section 200.9 of the Commissioner's Regulations and the Reimbursable Cost Manual and may be used to pay prior year outstanding debts. For the year ended December 31, 2025, Preschool surplus funds of \$165,000 accrued in a prior year were used to pay

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

for current year allowable Preschool expenses in accordance with the Reimbursable Cost Manual. In addition, the agency's School Age program generated a surplus of \$731,000 during the current year.

### 12. Net Assets Released from Restrictions

Net assets with donor restrictions that were released from restrictions by incurring expenses satisfying the restricted purpose are as follows:

*December 31, 2025*

Program-designated	\$	134,734
Capital campaign		63,282
<b>Total</b>	<b>\$</b>	<b>198,016</b>

### 13. Net Assets with Donor Restrictions

Net assets with donor restrictions held for specific purposes are as follows:

*December 31, 2025*

Program-designated	\$	187,895
Capital campaign		8,579
Board initiatives		98,939
<b>Total</b>	<b>\$</b>	<b>295,413</b>

### 14. Liquidity and Availability of Resources

The Agency's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

*December 31, 2025*

Cash and cash equivalents	\$	21,181,071
Accounts receivable, net of allowance for current expected credit losses		21,809,029
Government and other grants receivable		473,245
Contributions and pledges receivable		85,940
<b>Total Financial Assets Available Within One Year</b>		<b>43,549,285</b>
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors		295,413
Board-designated restrictions		1,186,631
<b>Total Amounts Unavailable to Management Within One Year</b>		<b>1,482,044</b>
<b>Total Financial Assets Available to Management</b>	<b>\$</b>	<b>42,067,241</b>

#### *Liquidity Management*

As part of the Agency's liquidity management, the Agency structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

# Developmental Disabilities Institute, Inc.

## Notes to Financial Statements

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Additionally, the Agency has board-designated net assets without donor restrictions that, while the Agency does not intend to spend these for purposes other than those intended, the amounts could be made available for current operations if necessary.

To help manage unanticipated liquidity needs, the Agency has a line of credit of \$26,000,000 that it could draw upon.

### **15. Subsequent Events**

The Board of Directors of the Agency voted to add a Doing Business As (DBA) to the legal name of the entity as part of a rebranding. The DBA went into effect on March 26, 2026. The Agency will be referred to as Developmental Disabilities Institute, Inc. DBA Brightway Living & Learning.

The Agency's management has performed subsequent events procedures through May 14, 2026, which is the date the financial statements were available to be issued, and there were no subsequent events requiring adjustment to the financial statements or disclosures as stated herein, other than the above.