



FY2025 Funder Presentation

#PowerOfPossible

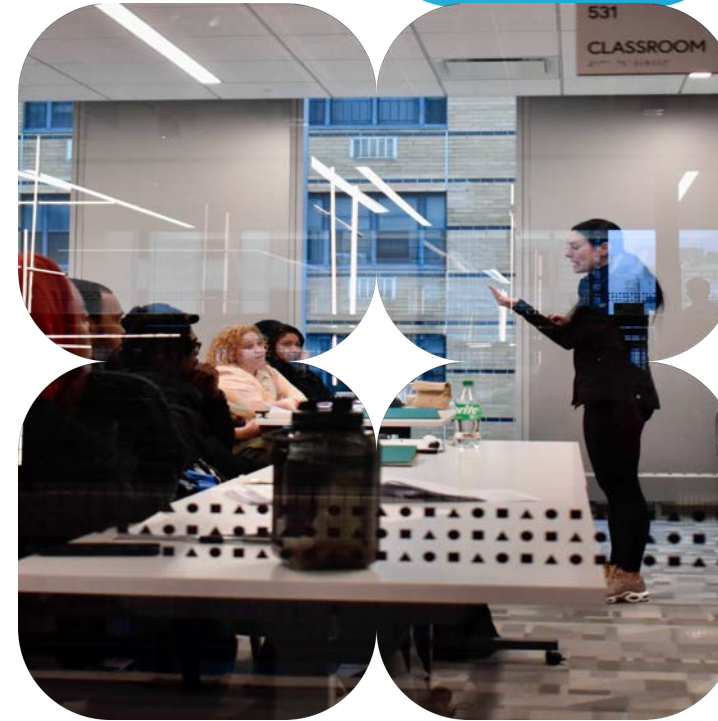
December 2025



Commitment to Transparency

At The Fedcap Group, we believe that transparency is not just a best practice—it is a cornerstone of trust. While there is no rule or regulation requiring us to produce our biannual Programmatic and Fiscal Reports, we do so because we believe our funders, supporters, and government partners deserve a clear, candid view into the work we do, the resources we steward, and the impact we deliver.

This report reflects our commitment to providing timely, data-driven insights into both our programmatic achievements and our financial performance. It is designed to give you the information you need to assess our progress, hold us accountable, and continue to partner with us in advancing economic mobility and well-being for all.



Agenda

Organizational Overview

FY25 Program Performance

FY25 Financial Report

Strategic Growth Opportunities

Q&A

Presented by



Christine
McMahon
President & CEO



Carol
Khoury
CFO





Our Company

Our Guiding Principles

Sustainability.

Strategic financial management – meticulous planning, prudent investment, and a steadfast dedication to maintaining fiscal health over time.

Relevance.

Prioritizing long-term innovation within a dynamic and ever-changing landscape to serve as the catalyst for transformative progress for individuals, communities, and systems alike.

Impact.

Working within the government systems, inoculating them with small enhancements, intending to yield scalable results.



Who We Serve

The Fedcap Group provides comprehensive support for a broad cross-section of individuals facing barriers—including at-risk children, working families, veterans, individuals with disabilities, people affected by substance misuse, justice-involved individuals, and older workers.



Strategic Work Delivered Through Four Practice Areas

Education

We are dedicated to education as a means of fostering economic and social mobility. Our commitment starts with newborns and extends through adulthood, offering a diverse range of customized programs tailored to every stage of an individual's educational path, from cradle to career.

Health

We are focused on eliminating health barriers to economic well-being through integrated care coordination and community health initiatives, including our leading case management and benefits screening program, Single Stop.

Workforce Development

We have a comprehensive solution for cultivating a skilled workforce, ready to work delivering trained talent. Collaborating with businesses across our international footprint, spanning the US, Canada, and the UK, we address critical staffing requirements for employers.

Economic Development

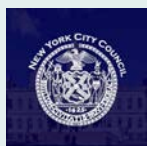
We enhance the economic mobility and quality of life for individuals facing barriers by implementing strategies centered around job creation. This involves the establishment of a Community Development Financial Institution (CDFI) and the operation of social business enterprises tailored to provide employment opportunities specifically for those with barriers.



Programs Delivered by a Network of Mission-Aligned Affiliates



Long Term Relationships with Diverse Domestic and International Funders—300+ Contracts



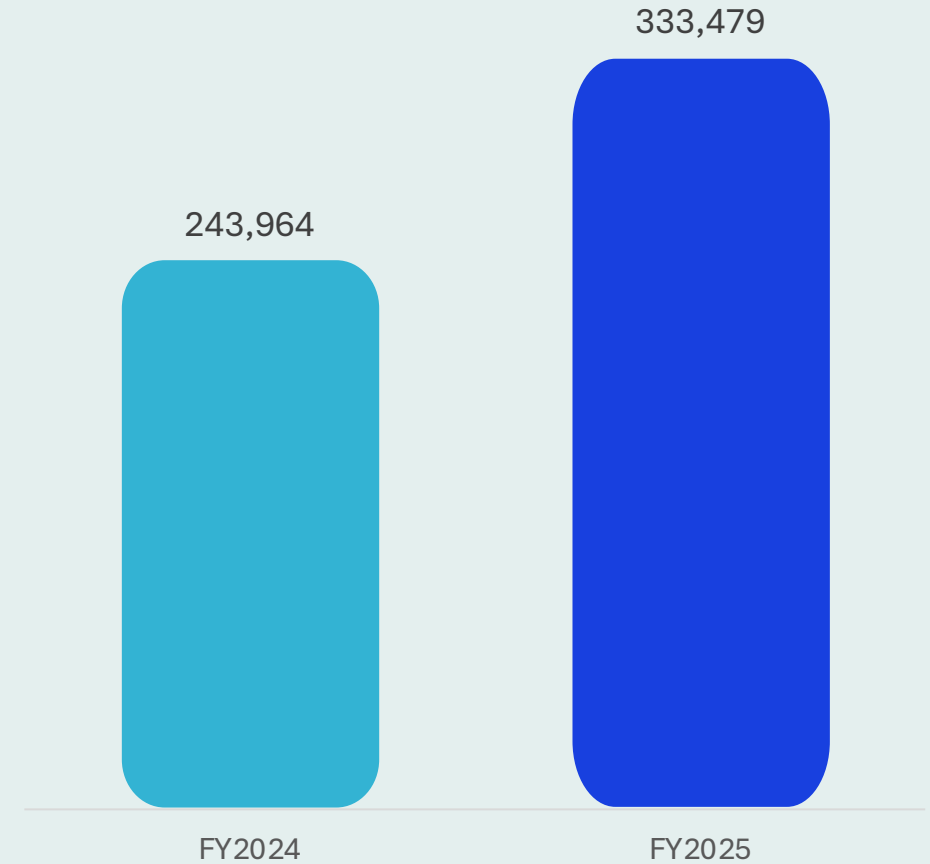
Program Results

FY25 Clients Served

In FY25, Fedcap served more than 333,000 individuals, a [37% year-over-year increase](#). This growth reflects both the impact of several international acquisitions in education and economic development, as well as the continued maturation of key organic programs, including Civic Hall and Single Stop.



Clients Served, by Year

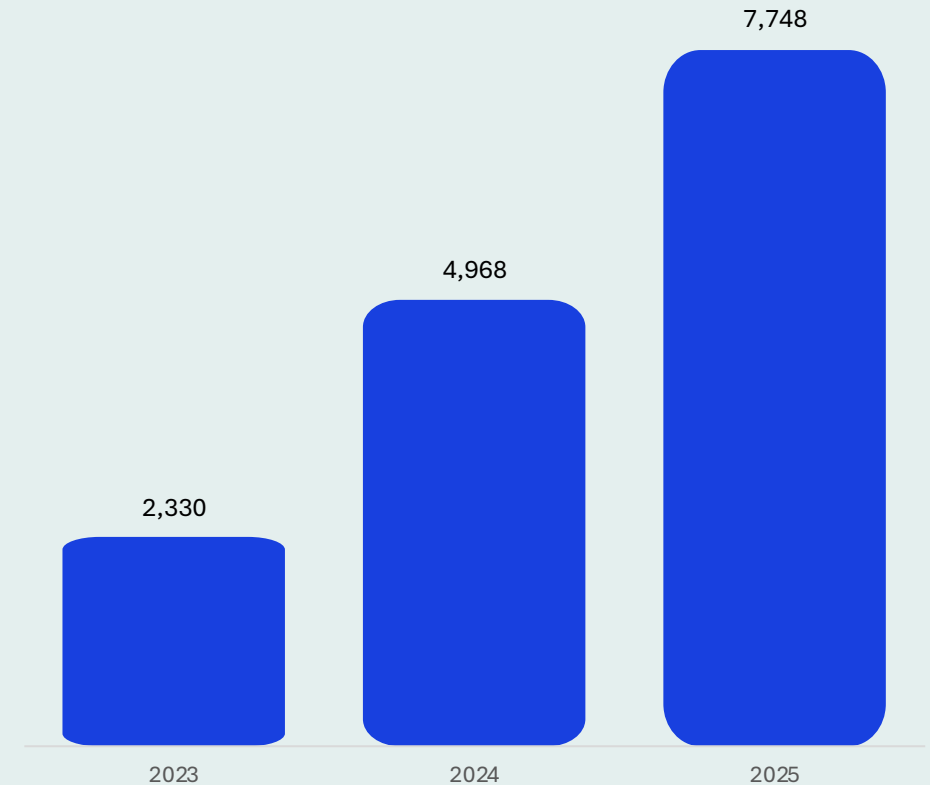


Education Results

The Education Practice continues to deliver on its mission to offer cradle-to-career educational pathways — from early childhood through workforce-aligned postsecondary training — and expanding its reach across domestic and international markets.

- 7,748 students across early childhood, transitional, and post-secondary trade-training programs—an increase of more than 56% compared with 2024.
- Completion rate for our educational programs stood at 89.7%, and among those completing, 74.2% secured jobs in the sectors for which they were trained. These strong indicators underscore both the relevance of our curricula and the robust support services surrounding our students.
- Institutional quality also received external validation when Apex Technical School was honored with the 2024–2025 School of Excellence Award by the Accrediting Commission of Career Schools and Colleges (ACCSC) — placing it among the top-performing technical schools nationwide and highlighting Fedcap's commitment to high standards in vocational education.

Students Enrolled, by Year



Education Highlights

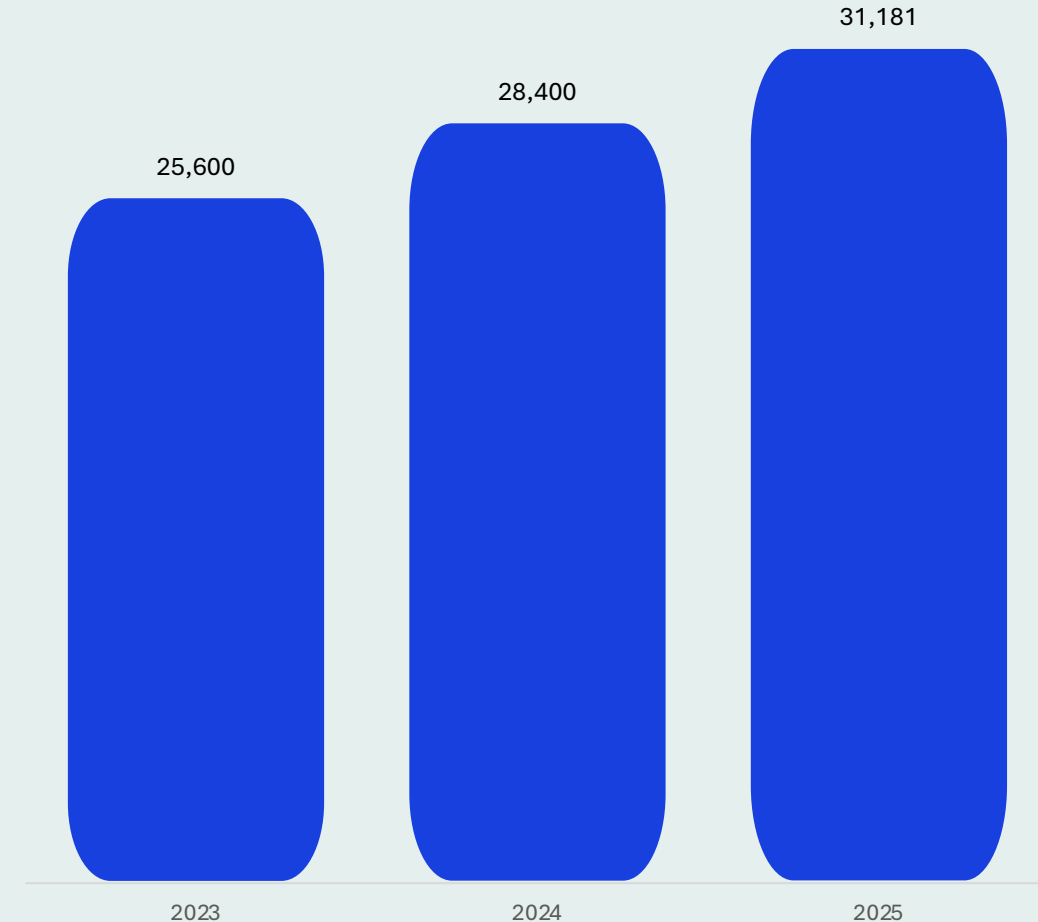
- Expansion into the U.K. education and training market through the acquisition of Big Picture Learning UK and The Verdancy Group.
- Acquisition of Spotlight on Poverty and Opportunity to expand research capacity at the Community Impact Policy Institute.
- Domestically, deepened reach through continued expansion of Apex Technical School and TACT—Apex continued scaling clean-energy training and other high-demand technical pathways, while TACT advanced its neurodiversity-focused model in New York, Texas, and Colorado.
- Civic Hall—The Bernard Goldstein Center continued as a premier hub for innovation, digital learning, workforce development, and community engagement. Since opening in November 2023, Civic Hall:
 - Served 92,970 visitors through a diverse array of programs, events, and technology convenings that strengthen economic mobility across the city.
 - Hosted 498 events, including 189 community gatherings, 29 job fairs, and hundreds of workshops, classes, and convenings.
 - More than 8,500 New Yorkers participated in community events, and 1,854 job seekers connected with employers through hiring fairs.
 - Expanded training programs significantly, with 4,461 students completing courses—an increase of more than 225% from 2024—supported by an impressive 92% graduation rate in 2025, up from 80% the year prior.
 - Led AI innovation through partnerships with the New York City Economic Development Corporation’s Applied AI initiative, convening international events on AI implementation and impact, and integrating AI into training programs.



Workforce Development Results

- In FY2025, Fedcap placed 31,181 individuals into employment—representing a 9.7% increase over 2024.
- Retention outcomes remained among the strongest in the sector, with
 - 88% of individuals employed at 30 days,
 - 79% at 90 days, and
 - 77% at 180 days.

Job Placements



Workforce Development Highlights

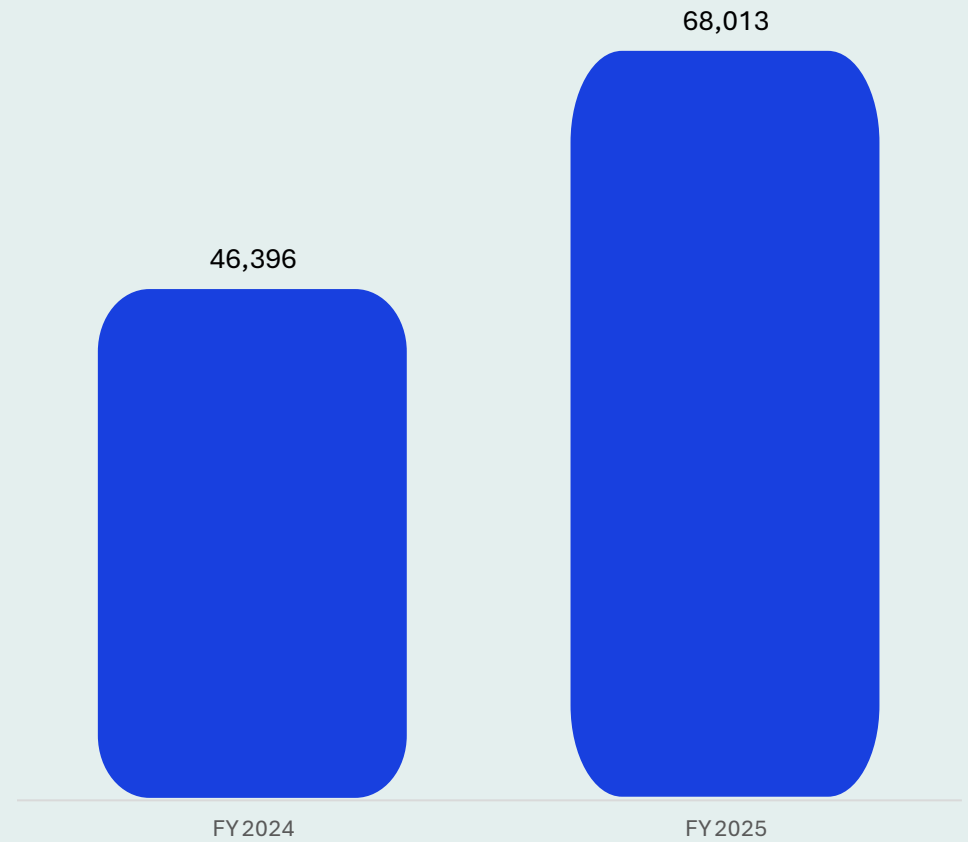
- In the United Kingdom strengthened leadership in employment services at a moment when the country faces a record 2.8 million people on long-term sickness and disability benefits.
 - UK division will reach a milestone of helping our 50,000th customer by the end of December.
 - This year supported 7,470 people into sustainable employment across our contracts in the UK.
- Strong performance in Canada with our workforce partners.
- Won several NYC regions under the WeCARE IV program.
- In Australia, continued to advance its footprint and operational readiness, building on early momentum generated through the new Specialist Disability Employment initiative.



Health Results

- In FY25, Fedcap provided wellness services to 68,013—a 46.6% increase over FY24.
- Growth in the Health Practice was once again led by the continued success of Single Stop. In FY2025, Single Stop, our case management and benefits screening platform:
 - Served more than 76,000 individuals,
 - Connected households to over \$924 million in eligible benefits,
 - Resulting in an average value of \$24,000 per household.

Individuals Receiving Wellness Services



Health Highlights

- Across Fedcap's U.S. and U.K. footprint, the Health Practice continued to grow its community-based mental health clubhouse model.
 - Granite Pathways (NH): Expansion with reintegration pathways for individuals with mental health challenges and brain injuries.
 - Chelton Loft (NYC): Funding successfully restored after citywide cuts, preserving its 35-year legacy; City Council subsequently expanded support to strengthen services.
 - Fedcap UK Clubhouses: National Shine Award recipients; expanded participation in employment with an impressive 30% job placement rate.
- Single Stop strengthened corporate and organizational partnerships:
 - Mantra Health partnership embeds therapy, coaching, crisis support, and wellness services directly into Single Stop's screening and referral tools.
 - Upswing collaboration expands basic-needs access for marginalized and non-traditional students via integrated digital navigation.
- Emerging Elevance Health "Trusted Voices" partnership.
- Won our biggest UK-based health contract to date supporting Surrey County Council with their UK Government-backed WorkWell program.
- Strengthening Health leadership by bringing in a senior public health leader to guide the next phase of growth, integration, and innovation across the Health Practice.



Economic Development Results

In FY2025, our Economic Development Practice continued to build on its 90-year legacy of expanding opportunity through social enterprise. Through its national portfolio of social enterprises, Fedcap directly employed more than 1,000 individuals, the vast majority of whom are people with disabilities or other significant barriers to competitive employment.

Our commitment to long-term economic security extends beyond wages alone. Retirement assets for direct client-service workers increased from \$8.4 million in 2010 to \$178.5 million in 2025, a powerful indicator of institutional values in action.

Retirement Benefits of Employees of Fedcap Social Enterprises 403(b) Plan in Aggregate

	2010	2022	2023	2024	2025
Total Assets Under Management	\$8MM	\$111MM	\$124.4MM	\$137.8MM	\$178.5MM
Total Employee Participants*	374	1,474	2,459	3,871	4,908

Economic Development Highlights

- FY2025 marked a strategic evolution for the Economic Development Practice as we expanded into emerging marketplaces with acquisitions that broadened both our industry reach and our global impact.
 - Our acquisition of Runway of Dreams extended our Economic Development Practice into the adaptive fashion, beauty, and lifestyle sectors for people with disabilities.
 - We expanded internationally with the acquisition of ELITE Supported Employment in Wales, strengthening our presence in the UK and deepening our commitment to high-quality employment supports for individuals with disabilities.
 - We expanded our Enterprise Business Solutions capacity by opening a state-of-the-art print facility at 633 3rd Ave in NYC.
 - The expansion creates high-tech, skills-based jobs for people with disabilities, advancing our social enterprise model.
 - As part of this expansion, we secured the NYC Department of Finance's Parking Violations & Summons Print & Mail contract.
- Our CDFI issued its first four loans.



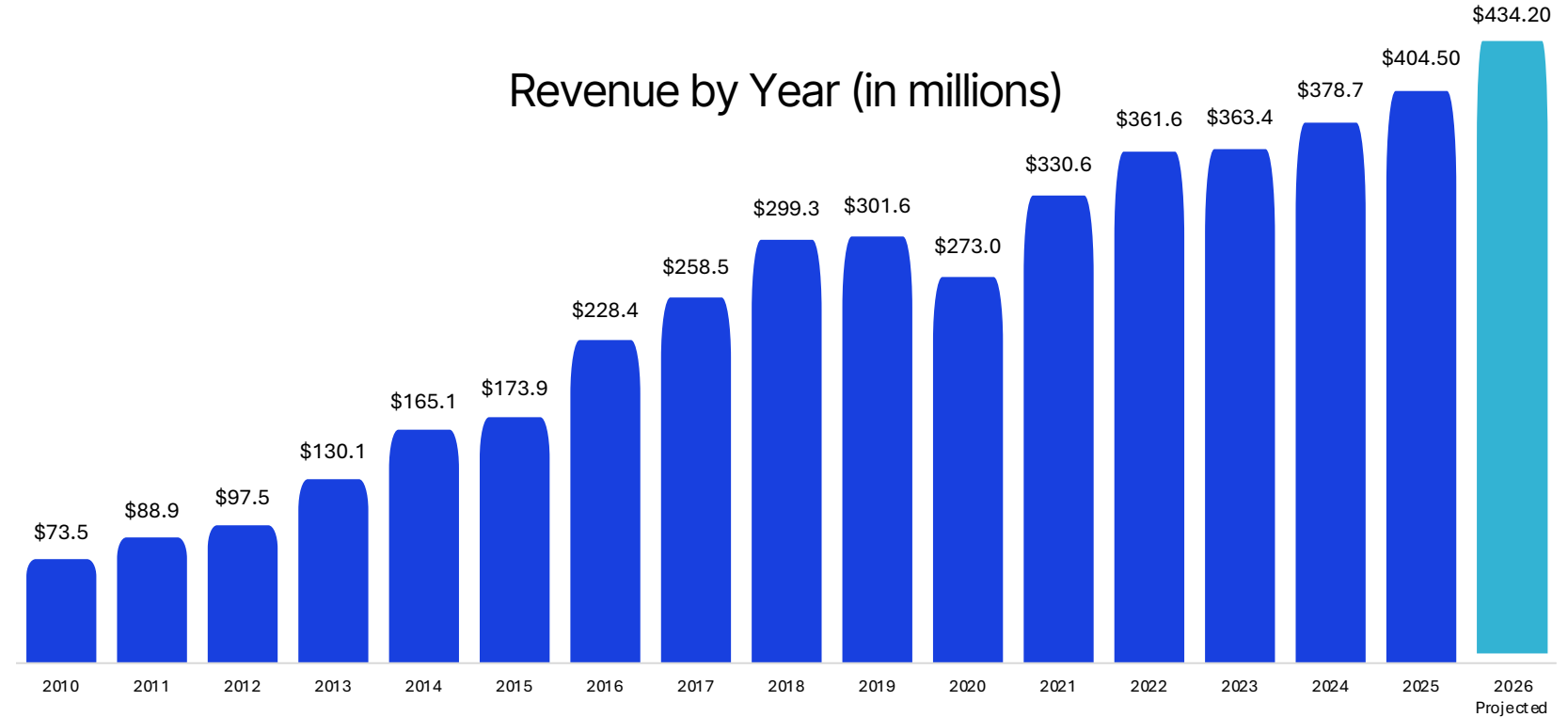
Financial Results

Financial Summary

Revenue

Fedcap achieved \$404.5 million in operating revenue for fiscal year 2025—surpassing the original budgeted figure of \$385.1 million and marking a 6.8% increase over fiscal 2024. This performance is especially notable given the continued economic uncertainty of the past several years, which disrupted funding cycles and strained nonprofits across the country.

Despite these external pressures, Fedcap continued its disciplined long-term growth trajectory. Over the past decade and a half, the organization has expanded from \$73.5 million in revenue in 2010 to \$404.5 million in 2025—representing a 12.04% compounded annual growth rate (CAGR). This extraordinary performance underscores the strength of Fedcap’s diversified portfolio, mission-aligned strategy, and operational resilience



Financial Summary

Consolidated Statement of Financial Position (As of September 30, 2025)

Fedcap enters FY2026 with a strong financial foundation that supports continued program growth, long-term investment, and organizational resilience. As of September 30, 2025, Fedcap held \$49.4 million in cash and investments, providing sufficient liquidity to maintain operations, meet working-capital needs, and responsibly manage timing fluctuations in government contracts and reimbursement cycles. Long-term liabilities of \$298.5 million are aligned with prudent debt-management practices and represent investments that fuel long-term program delivery and revenue generation.

	2025 Unaudited	2024 Audited
ASSETS		
Cash and short term investments	\$ 49,396,635	\$ 44,782,985
Accounts Receivable (net)	66,532,142	67,854,815
Restricted Current Assets	2,677,161	2,677,161
Inventories (net)	570,111	268,491
Prepaid Expenses and Other Assets	14,003,191	11,624,074
Total Current Assets	<u>\$ 133,179,240</u>	<u>\$ 127,207,526</u>
Fixed Assets (net)	79,920,998	83,597,003
Operating Lease ROU Assets	80,284,602	82,714,494
ROU Finance Assets	64,584,992	67,543,511
Restricted Assets	37,618,209	40,295,370
Beneficial Remainder Trust	5,618,494	5,638,867
Other Assets	1,259,456	1,122,157
Total Assets	<u><u>\$ 402,465,991</u></u>	<u><u>\$ 408,118,928</u></u>
Liabilities		
Accounts Payable and Accrued Liabilities	\$ 40,311,761	\$ 51,455,168
Notes Payable	3,666,196	3,483,264
Advance from Government Agency	40,206	1,994,103
Financing Lease Liabilities	1,855,207	1,778,617
ROU Liabilities	8,167,512	10,280,832
Other Current Liabilities	9,705,643	11,089,217
Total Current Liabilities	<u>63,746,526</u>	<u>80,081,201</u>
Long Term Debt	\$ 115,667,535	\$ 107,074,418
ROU Liabilities	81,146,976	78,074,139
Line of Credit	20,886,439	31,303,482
Other Liabilities	17,012,665	12,791,887
Total Liabilities	<u>298,460,141</u>	<u>309,325,127</u>
Net Assets		
Without Donor Restrictions	\$ 52,436,717	\$ 47,224,668
With Donor Restrictions	51,569,132	51,569,133
Total Net Assets	<u>\$ 104,005,849</u>	<u>\$ 98,793,801</u>
Total Liabilities & Net Assets	<u><u>\$ 402,465,991</u></u>	<u><u>\$ 408,118,928</u></u>
Current Ratio		
	2.09	1.59
A/R Turnover Ratio		
	6.08	5.58
A/R Average Days Outstanding		
	60	65

Key Performance Indicators

Fedcap achieved an operating margin of 1.29 of gross revenue in FY2025, up from 0.59 in the prior year. Operating efficiency remains strong, with personnel costs at 51.4% of gross revenue and program expenses at 88%, reflecting disciplined financial management and continued investment in mission-driven services.

Income
Statement

1.29
Operating Margin

51.4%
Personnel Cost Ratio

88%
Program Expense Ratio

Balance
Sheet

2.09
Current Ratio

6.08
A/R Turnover Ratio

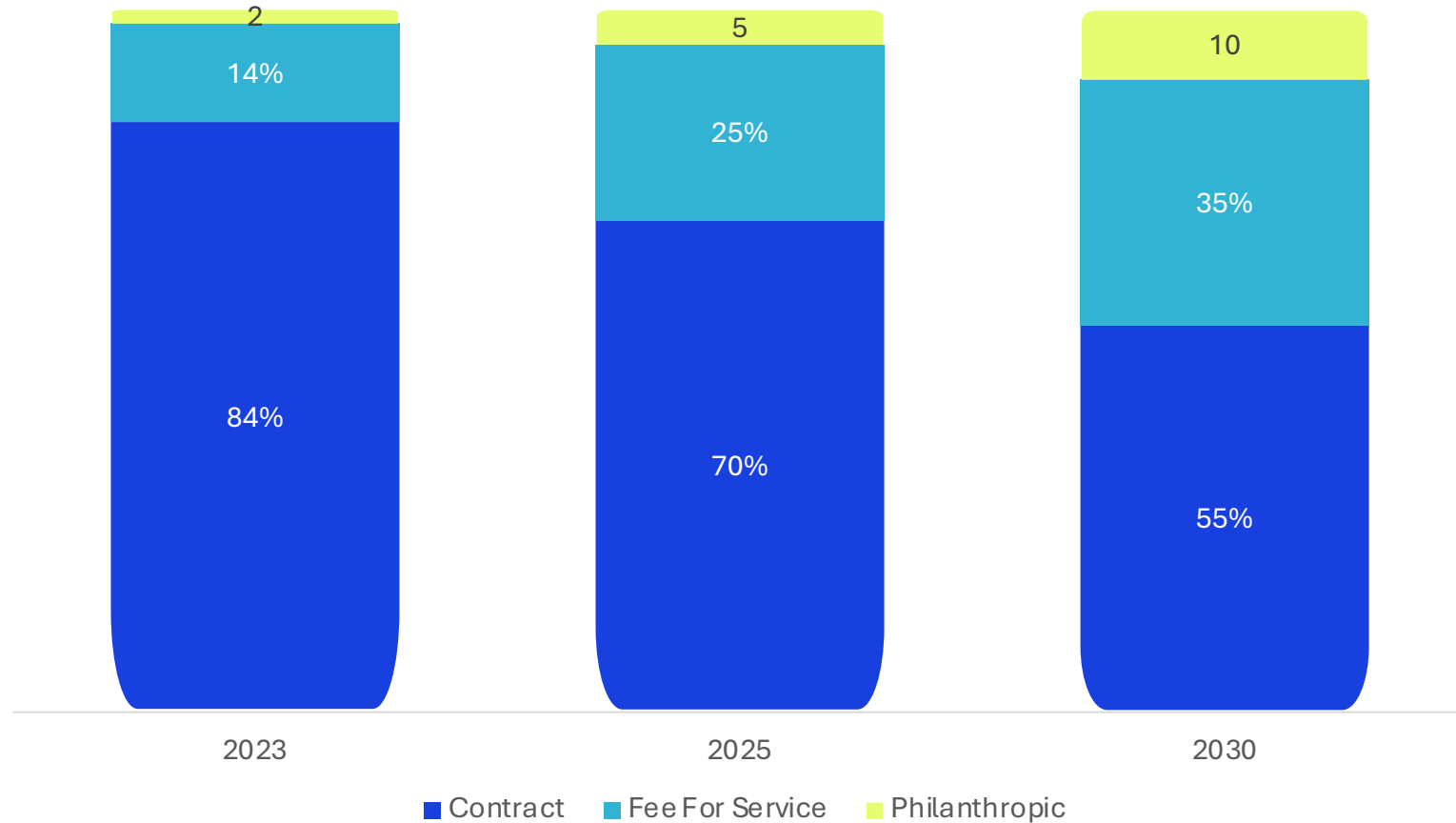
60
Avg. DSOs

Sources of Revenue, by Type

Fedcap's revenue portfolio is diverse mix of government and institutional contracts, fee for service, and philanthropic support.

Government contracts remain our primary revenue source, accounting for 70% of total revenue. While we will continue to aggressively pursue contracts, the uncertainty and fluidity of government environments across our footprint reinforce the need for a more balanced revenue model.

Our growth strategy prioritizes expanded fee-for-service revenue, particularly within education and health. The continued growth of our education practice has already strengthened our diversification through tuition-based programs, and we project that fee-for-service revenue will represent 35% of total revenue by 2030.

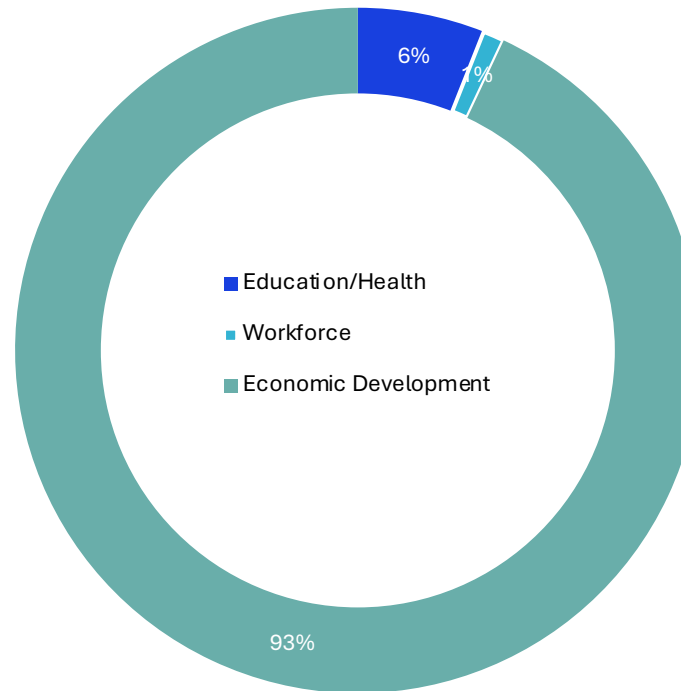


Sources of Revenue, by Type

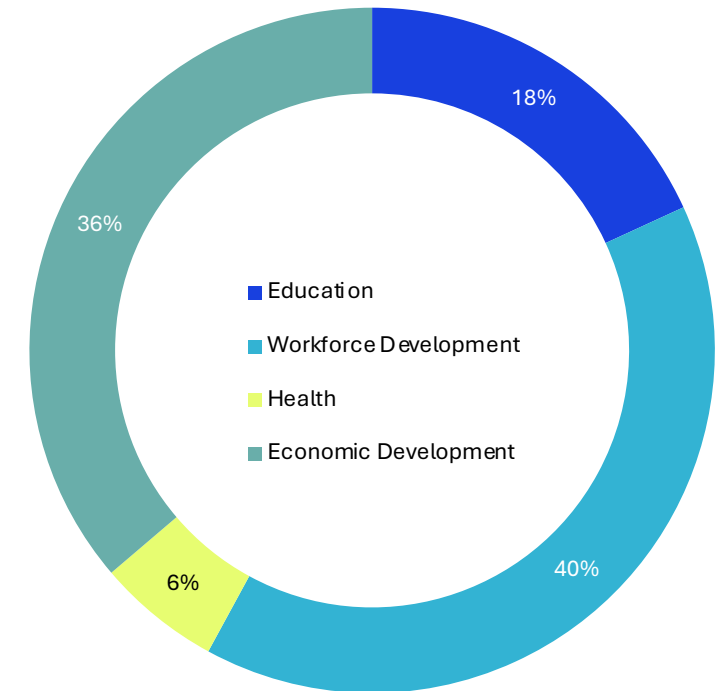
Since 2010, Fedcap has intentionally diversified its portfolio across our four core practice areas—education, workforce development, health, and economic development—creating a balanced and resilient enterprise. Workforce Development has expanded rapidly and is now the organization’s largest practice, driven by significant government partnerships and strong placement outcomes. Education has emerged as our fastest-growing practice, driven by a strategic mix of acquisitions and new program launches in high-demand fields such as clean energy, traditional trades, and technology and innovation.

We are now accelerating growth in Health, where robust funding opportunities—particularly in intellectual and developmental disabilities (ID/DD)—are aligned with our mission and national need. This work is anchored by key leadership investments within Easterseals and positions us to strengthen and scale health services across our footprint.

Fiscal Year 2010



Fiscal Year 2025

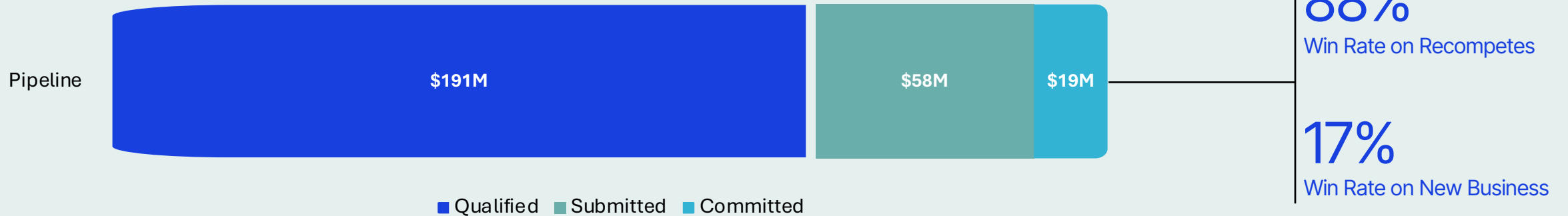


Business Pipeline

Fedcap's robust pipeline and diversified contract portfolio serve as a critical buffer against market fluctuations. Since Q3 of FY25, we have increased our active pipeline by 36.5%, significantly exceeding our 20% growth target. We now have \$3.25 billion in qualified prospects, positioning the organization for sustained expansion across all practice areas.

Fedcap executed \$245MM in annual new or recompile business in FY25 in more than 686 contracts and fee-for-service transactions.

Current Qualified Pipeline \$269MM



FY25 Executed Business \$245MM





FY26 Strategic Growth Opportunities

Growth Strategy—Scaling Success

Fedcap's three-prong balanced approach achieves year-over-year growth and sustainability against political and economic headwinds

Organic Growth-60%

Expansion of programs in existing service footprint or new areas.

Acquisition—25%

Attaining existing mission-aligned organizations that can be leveraged within organization.

New Programs—15%

Launching new programs, products, or services in high demand areas.

Achieved Through Exemplary Performance



Excellence in Program Delivery



Fiscal Discipline



Delivered through State-of-the-Art System Design

FY26 Strategic Growth Plan

International Expansion

- Continued UK expansion in education, social enterprise, and health sectors.
- Focus on market opportunities Australia.
- Education opportunities in the Canadian footprint.

Domestic Policy Change Opportunities

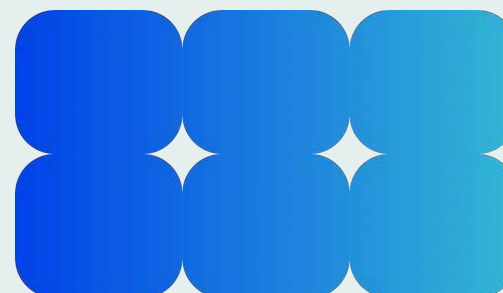
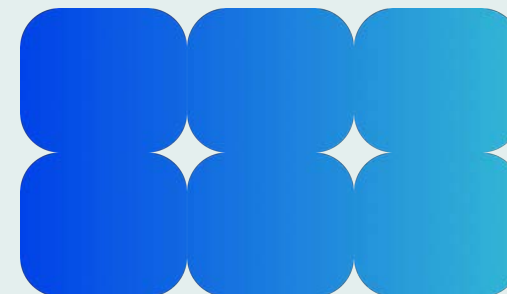
- Advancing meaningful, high-quality Work Requirements.
- Expand Workforce Pell to include high-quality, industry-aligned, short-term credential programs, enabling more low-income learners to access fast-track pathways into in-demand jobs.

Advancement of Practice Areas

- Drive expansion of the Health Practice Area through strong leadership, targeted market entry, and continued growth of our core strengths.
- Deployment of our co-location education model.

Deployment of Advanced SaaS Technology

- Integrate advanced SaaS tools (Single Stop, Civic Hall AI platforms, Fedcap Cares, and Verdancy's green-skills learning platform) to modernize operations, enhance customer experience, and drive scalable, data-informed outcomes. Ex. Single Stop launching AI SNAP application assistant.



FY2025 Overview

Strong Operational and Financial Performance

- Achieved a 37% increase in clients served year-over-year.
- Generated \$404.5 million in operating revenue for fiscal 2025, exceeding the budgeted \$385.1 million and marking a 6.8% increase over fiscal 2024.

Aggressive Expansion Into New Markets

- Acquired key organizations—The Verdancy Group and Big Picture Learning UK—to expand our reach into the international education sector.
- Expanded our Social Enterprise operations into new markets through the acquisitions of Runway of Dreams—an adaptive fashion and lifestyle company—and ELITE Supported Employment in Wales, marking our first international expansion of Social Enterprise.

Strategic Priorities

- Our growth strategy prioritizes expanded fee-for-service revenue, particularly within education and health and we project that fee-for-service revenue will represent 35% of total revenue by 2030.



Q&A



@fedcapgroup



FedcapGroup



www.fedcapgroup.org



