

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Financial Statements

As of and for the Years Ended June 30, 2024 (Compiled) and 2023 (Compiled)

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

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ACCOUNTANTS' COMPILATION REPORT

**The Board of Directors
The Arc of Ouachita (dba ARCO)
Monroe, Louisiana**

Management is responsible for the accompanying financial statements of **The Arc of Ouachita (dba ARCO)** (a non-profit organization, the Arc), which comprise the statements of financial position as of June 30, 2024, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by the management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

The June 30, 2023, financial statements were compiled by us, and we expressed no opinion on them in our report dated January 2, 2024.

The supplementary information contained in Schedules 1, 2 and 3 are presented for purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was not subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

Woodard & Associates

(A Professional Accounting Corporation)
January 1, 2025

FINANCIAL STATEMENTS

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Statements of Financial Position

	June 30, 2024 (Compiled)		
	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash	\$ 731,066	\$ -	\$ 731,066
Accounts receivable			
Intergovernmental	319,427	-	319,427
Services	15,637	-	15,637
Contributions and grants	-	-	-
United Way	-	-	-
Other	1,972	-	1,972
Property and equipment	2,418,314	260,655	2,678,969
Accumulated depreciation	(431,404)	(243,699)	(675,103)
Prepaid expenses	5,019	-	5,019
Other deposits	27,552	-	27,552
Total assets	\$ <u>3,087,583</u>	\$ <u>16,956</u>	\$ <u>3,104,539</u>
Liabilities and net assets			
Current liabilities (payable from current assets)			
Accounts payable	\$ 160,146	\$ -	\$ 160,146
Accrued payroll and taxes	145,069	-	145,069
Deferred revenue	-	-	-
Current portion of long-term obligations	13,269	-	13,269
Current portion of Payroll Protection Program loan	-	-	-
Total current liabilities	<u>318,485</u>	<u>-</u>	<u>318,485</u>
Long-term liabilities			
Long-term obligations, net of current portion	<u>296,505</u>	<u>-</u>	<u>296,505</u>
Total long-term liabilities	<u>296,505</u>	<u>-</u>	<u>296,505</u>
Total liabilities	<u>614,990</u>	<u>-</u>	<u>614,990</u>
Net Assets			
Without donor restrictions	2,472,593	-	2,472,593
With donor restrictions	-	16,956	16,956
Total net assets	<u>2,472,593</u>	<u>16,956</u>	<u>2,489,549</u>
Total liabilities and net assets	\$ <u>3,087,583</u>	\$ <u>16,956</u>	\$ <u>3,104,539</u>

The accompanying notes are an integral part of these statements.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Statements of Financial Position

	June 30, 2023 (Compiled)		
	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash	\$ 1,469,411	\$ -	\$ 1,469,411
Accounts receivable			
Intergovernmental	276,424	-	276,424
Services	27,109	-	27,109
Contributions and grants	-	-	-
United Way	-	23,000	23,000
Other	1,127	-	1,127
Property and equipment	1,260,727	260,655	1,521,382
Accumulated depreciation	(326,547)	(226,682)	(553,229)
Prepaid expenses	564,161	-	564,161
Other deposits	25,377	-	25,377
Total assets	\$ <u>3,297,792</u>	\$ <u>56,973</u>	\$ <u>3,354,764</u>
Liabilities and net assets			
Current liabilities (payable from current assets)			
Accounts payable	\$ 151,816	\$ -	\$ 151,816
Accrued payroll and taxes	117,352	-	117,352
Deferred revenue	-	-	-
Current portion of long-term obligations	5,447	-	5,447
Current portion of Payroll Protection Program loan	-	-	-
Total current liabilities	<u>274,618</u>	<u>-</u>	<u>274,618</u>
Long-term liabilities			
Long-term obligations, net of current portion	<u>576,149</u>	<u>-</u>	<u>576,149</u>
Total long-term liabilities	<u>576,149</u>	<u>-</u>	<u>576,149</u>
Total liabilities	850,767	-	850,767
Net Assets			
Without donor restrictions	2,447,025	-	2,447,025
With donor restrictions	-	56,973	56,973
Total net assets	<u>2,447,025</u>	<u>56,973</u>	<u>2,503,998</u>
Total liabilities and net assets	\$ <u>3,297,792</u>	\$ <u>56,973</u>	\$ <u>3,354,765</u>

The accompanying notes are an integral part of these statements.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Statements of Activities

For the Years Ended

	June 30, 2024 (Compiled)		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Intergovernmental	\$ 3,320,365	\$ -	\$ 3,320,365
Charges for services	147,601	-	147,601
Contributions and grants	262,597	-	262,597
United Way allocation	11,663	-	11,663
Membership dues	30,266	-	30,266
Contributions and net revenue from Special events			
Contributions	208,865	-	208,865
Sale of fixed assets	-	-	-
Other revenues	-	-	-
Other revenue - Employee Retention Credit	703,378	-	703,378
Total	<u>4,684,735</u>	<u>-</u>	<u>4,684,735</u>
 Net assets released from restrictions	 <u>40,017</u>	 <u>(40,017)</u>	 <u>-</u>
 Revenues, gains and other support	 <u>4,724,752</u>	 <u>(40,017)</u>	 <u>4,684,735</u>
 Expenses			
Program services			
Supported employment	187,333	-	187,333
Day habilitation	288,172	-	288,172
Supported work contracts	-	-	-
Supported living	2,918,013	-	2,918,013
Community home			
Mallard Home	334,014	-	334,014
Total program services	<u>3,727,531</u>	<u>-</u>	<u>3,727,531</u>
Supporting services			
Management and general	824,775	-	824,775
Fundraising	146,878	-	146,878
Total supporting services	<u>971,653</u>	<u>-</u>	<u>971,653</u>
 Total expenses	 <u>4,699,184</u>	 <u>-</u>	 <u>4,699,184</u>
 Increase (decrease) in net assets	 25,568	 (40,017)	 (14,449)
 Net assets at beginning of year	 <u>2,447,025</u>	 <u>56,973</u>	 <u>2,503,998</u>
 Net assets at end of year	 <u>\$ 2,472,593</u>	 <u>\$ 16,956</u>	 <u>\$ 2,489,549</u>

The accompanying notes are an integral part of these statements.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Statements of Activities

For the Years Ended

	June 30, 2023 (Compiled)		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains and other support			
Intergovernmental	\$ 3,231,469	\$ -	\$ 3,231,469
Charges for services	256,448	-	256,448
Contributions and grants	178,826	-	178,826
United Way allocation	23,191	23,000	46,191
Membership dues	28,334	-	28,334
Contributions and net revenue from Special events			
Contributions	51,619	-	51,619
Sale of fixed assets	141,116	-	141,116
Other revenues	-	-	-
Other revenue - Employee Retention Credit	831,596	-	831,596
Total	<u>4,742,599</u>	<u>23,000</u>	<u>4,765,599</u>
 Net assets released from restrictions	 <u>56,208</u>	 <u>(56,208)</u>	 <u>-</u>
 Revenues, gains and other support	 <u>4,798,807</u>	 <u>(33,208)</u>	 <u>4,765,599</u>
 Expenses			
Program services			
Supported employment	190,452	-	190,452
Day habilitation	155,773	-	155,773
Supported work contracts	7,896	-	7,896
Supported living	2,536,274	-	2,536,274
Community home			
Mallard Home	258,439	-	258,439
Total program services	<u>3,148,833</u>	<u>-</u>	<u>3,148,833</u>
Supporting services		-	
Management and general	665,938	-	665,938
Fundraising	146,878	-	146,878
Total supporting services	<u>812,816</u>	<u>-</u>	<u>812,816</u>
 Total expenses	 <u>3,961,649</u>	 <u>-</u>	 <u>3,961,649</u>
 Increase (decrease) in net assets	 837,158	 (33,208)	 803,950
 Net assets at beginning of year	 <u>1,609,867</u>	 <u>90,181</u>	 <u>1,700,048</u>
 Net assets at end of year	 <u>\$ 2,447,025</u>	 <u>\$ 56,973</u>	 <u>\$ 2,503,998</u>

The accompanying notes are an integral part of these statements.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Statement of Functional Expenses

For the Year Ended June 30, 2024 (Compiled)

Program Services

	<u>Supported Employment</u>	<u>Day Habilitation</u>	<u>Supported Work Contracts</u>	<u>Supported Living</u>	<u>Mallard Home</u>
Salaries	\$ 120,056	\$ 168,430	\$ -	\$ 2,236,476	\$ 188,572
Payroll taxes	9,222	12,839	-	176,983	14,710
Pension	1,327	880	-	18,819	2,921
Total salaries and related expenses	130,604	182,149	-	2,432,277	206,204
Dues and subscriptions	19	29	-	326	26
Food	270	2,577	-	3,847	8,286
Insurance	18,253	32,258	-	142,560	15,096
Interest	30	42	-	522	44
Licenses and inspections	22	227	-	136	1,711
Maintenance	4,852	12,299	-	23,006	5,033
Medical	566	410	-	12,288	2,824
Miscellaneous	6,341	8,123	-	59,977	28,974
Office supplies and postage	334	553	-	4,391	265
Professional fees	30	41	-	30,323	3,106
Public awareness	557	2,526	-	16,135	236
Rent	1,743	2,574	-	24,372	1,504
Supplies	414	3,063	-	3,963	5,366
Taxes	-	-	-	-	-
Telephone	7,059	3,593	-	50,133	3,478
Training	1,284	1,582	-	7,237	35,310
Transportation	4,056	9,747	-	5,417	298
Travel	1,168	173	-	18,851	42
Utilities	3,057	3,904	-	19,212	12,344
Total	180,660	265,871	-	2,854,974	330,148
Depreciation of buildings and equipment	6,673	22,302	-	63,038	3,867
Total functional expenses	\$ <u>187,333</u>	\$ <u>288,172</u>	\$ <u>-</u>	\$ <u>2,918,013</u>	\$ <u>334,014</u>

(continued)

The accompanying notes are an integral part of these statements.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Statement of Functional Expenses

For the Year Ended June 30, 2024 (Compiled)

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Salaries	\$ 2,713,534	\$ 338,023	\$ 98,445	\$ 436,468	\$ 3,150,002
Payroll taxes	213,754	26,878	6,747	33,625	247,379
Pension	23,946	7,983	2,734	10,717	34,663
Total salaries and related expenses	2,951,234	372,884	107,926	480,810	3,432,044
Dues and subscriptions	400	19,567	37	19,604	20,004
Food	14,980	4,864	523	5,387	20,367
Insurance	208,167	38,280	4,147	42,427	250,594
Interest	638	17,929	-	17,929	18,567
Licenses and inspections	2,097	201	-	201	2,298
Maintenance	45,190	2,309	3,299	5,608	50,798
Medical	16,088	1,554	163	1,717	17,805
Miscellaneous	103,416	169,481	7,094	176,575	279,991
Office supplies and postage	5,543	6,293	4,321	10,614	16,157
Professional fees	33,500	78,424	1,999	80,423	113,923
Public awareness	19,454	17,145	4,760	21,905	41,359
Rent	30,194	41,462	6,202	47,664	77,858
Supplies	12,805	3,985	2,146	6,131	18,936
Taxes	-	-	-	-	-
Telephone	64,263	9,060	1,817	10,877	75,140
Training	45,413	1,812	30	1,842	47,255
Transportation	19,518	125	4	129	19,647
Travel	20,234	344	211	555	20,789
Utilities	38,517	13,226	2,036	15,262	53,779
Total	3,631,653	798,943	146,715	945,658	4,577,311
Depreciation of buildings and equipment	95,879	25,832	163	25,995	121,874
Total functional expenses	\$ <u>3,727,532</u>	\$ <u>824,775</u>	\$ <u>146,878</u>	\$ <u>971,653</u>	\$ <u>4,699,185</u> (concluded)

The accompanying notes are an integral part of these statements.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Statement of Functional Expenses

For the Year Ended June 30, 2023 (Compiled)

Program Services

	<u>Supported Employment</u>	<u>Day Habilitation</u>	<u>Supported Work Contracts</u>	<u>Supported Living</u>	<u>Mallard Home</u>
Salaries	\$ 91,152	\$ 81,095	\$ -	\$ 1,957,359	\$ 146,736
Payroll taxes	6,996	6,150	-	157,478	11,631
Pension	901	259	-	16,720	1,775
Total salaries and related expenses	99,050	87,504	-	2,131,558	160,142
Dues and subscriptions	455	(4)	-	172	42
Food	909	2,824	-	7,001	11,586
Insurance	14,436	12,125	652	121,833	14,238
Interest	60	13	1,375	110	18
Licenses and inspections	434	14	-	510	806
Maintenance	19,137	6,302	3,440	48,532	5,158
Medical	620	440	-	13,639	4,048
Miscellaneous	219	161	-	5,057	24,284
Office supplies and postage	549	425	-	3,283	291
Professional fees	165	169	-	37,113	4,759
Public awareness	135	2,186	-	11,783	441
Rent	11,309	11,695	-	36,646	2,140
Supplies	386	5,529	-	4,237	6,627
Taxes	8,170	-	-	-	-
Telephone	10,566	3,499	345	55,702	3,305
Training	1,105	51	-	14,940	5,027
Transportation	4,512	2,779	-	6,409	1,914
Travel	269	32	-	20,763	29
Utilities	3,445	8,643	2,084	16,727	12,657
Total	175,928	144,387	7,896	2,536,016	257,511
Depreciation of buildings and equipment	14,524	11,385	-	258	927
Total functional expenses	\$ 190,452	\$ 155,773	\$ 7,896	\$ 2,536,274	\$ 258,439

(continued)

The accompanying notes are an integral part of these statements.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Statement of Functional Expenses

For the Year Ended June 30, 2023 (Compiled)

	<u>Program Services</u>		<u>Supporting Services</u>		
	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Salaries	\$ 2,276,342	\$ 274,586	\$ 98,445	\$ 373,031	\$ 2,649,373
Payroll taxes	182,255	20,928	6,747	27,675	209,930
Pension	19,656	5,481	2,734	8,215	27,871
Total salaries and related expenses	2,478,253	300,995	107,926	408,921	2,887,174
Dues and subscriptions	665	15,931	37	15,968	16,633
Food	22,320	2,094	523	2,617	24,937
Insurance	163,284	39,466	4,147	43,613	206,897
Interest	1,576	139	-	139	1,715
Licenses and inspections	1,764	259	-	259	2,023
Maintenance	82,569	38,760	3,299	42,059	124,628
Medical	18,746	1,769	163	1,932	20,678
Miscellaneous	29,721	61,193	7,094	68,287	98,008
Office supplies and postage	4,547	5,193	4,321	9,514	14,061
Professional fees	42,205	76,496	1,999	78,495	120,700
Public awareness	14,546	17,423	4,760	22,183	36,729
Rent	61,790	44,163	6,202	50,365	112,155
Supplies	16,779	(367)	2,146	1,779	18,558
Taxes	8,170	-	-	-	8,170
Telephone	73,418	4,958	1,817	6,775	80,193
Training	21,123	537	30	567	21,690
Transportation	15,614	(4)	4	-	15,614
Travel	21,093	742	211	953	22,046
Utilities	43,556	24,013	2,036	26,049	69,605
Total	3,121,739	633,760	146,715	780,475	3,902,214
Depreciation of buildings and equipment	27,095	32,177	163	32,340	59,435
Total functional expenses	\$ 3,148,833	\$ 665,938	\$ 146,878	\$ 812,816	\$ 3,961,649
					(concluded)

The accompanying notes are an integral part of these statements.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Statements of Cash Flows

	For the Years Ended June 30,	
	<u>2024 (Compiled)</u>	<u>2023 (Compiled)</u>
Cash flows from operating activities		
Increase (decrease) in net assets	\$ (14,449)	\$ 803,950
Adjustments to reconcile increase in net assets to net cash provided (used) by operating activities		
Depreciation	121,874	59,435
Gain on sale of property and equipment	-	(141,116)
Changes in assets and liabilities		
Accounts receivable	(9,376)	7,285
Other assets	556,967	(557,792)
Accounts payable and accrued expenses	36,052	119,776
Deferred revenue	-	(9,000)
Total Adjustments	<u>705,513</u>	<u>(521,416)</u>
Net cash provided (used) by operating activities	<u>691,064</u>	<u>282,534</u>
Cash flows from investing activities		
Property and equipment additions	(1,157,587)	(943,702)
Proceeds from sales of property and equipment	-	537,164
Net cash provided (used) by investing activities	<u>(1,157,587)</u>	<u>(406,538)</u>
Cash flows from financing activities		
Payments on notes payable	(271,822)	(166,565)
Receipt of new notes payable	-	581,596
Net cash provided (used) by financing activities	<u>(271,822)</u>	<u>415,031</u>
Net increase (decrease) in cash	<u>(738,345)</u>	<u>291,027</u>
Cash at beginning of year	<u>1,469,411</u>	<u>1,178,384</u>
Cash at end of year	<u>\$ 731,066</u>	<u>\$ 1,469,411</u>
Supplemental disclosures		
Cash paid for interest	<u>\$ 18,567</u>	<u>\$ 1,715</u>
Non-cash investing & operating activities		
Revenue and expense of non-cash contribution	<u>\$ 106,631</u>	<u>\$ 23,714</u>

The accompanying notes are an integral part of these statements.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024 (Compiled) and 2023 (Compiled)

INTRODUCTION

The Arc of Ouachita (dba ARCO) (the Arc) was established in 1954 to promote the general welfare of all persons with developmental disabilities within its service area which generally includes the Northeast portion of Louisiana. The programs are designed to assist and train clients to become independent citizens within the Arc's service area. The principal programs consist of vocational training, residential living.

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The financial statements have been prepared on an accrual basis in conformity with Generally Accepted Accounting Principles (GAAP) and are presented as recommended by the Financial Accounting Standards Board (FASB) in ASC 958-205, *Not For Profit Entities-Presentation of Financial Statements*.

B. CHANGE IN ACCOUNTING PRINCIPLE

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842), which supersedes existing guidance for accounting for leases under Topic 840, Leases. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position. The Arc has adopted this guidance, as applicable, in its June 30, 2023 financial statements.

C. CONTRIBUTIONS-CASH

In accordance with ASC 958-605, *Not For Profit Entities-Revenue Recognition*, contributions received are recorded as with donor restrictions or without donor restrictions depending on the existence of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net assets class. When a qualifying expenditure occurs, or a time restriction expires, assets with donor restrictions are recognized in net assets without donor restrictions as "net assets released from restrictions" in the statement of activities. If a restriction is fulfilled in the same period in which the contribution is received, the contribution is reported as without donor restrictions.

D. CONTRIBUTIONS-NONCASH

Members, agencies, businesses, volunteers and others contribute substantial services toward the fulfillment of projects initiated by the Arc. No amounts have been recognized in the Statement of Activities for these contributions because the criteria for recognition under ASC 958-605 have not been satisfied.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024 (Compiled) and 2023 (Compiled)

Other non-cash contributions of goods and services including rent have been recognized in the financial statements as revenue of the net assets without donor restrictions class unless explicit donor stipulations specify how the contributions must be used.

E. ACCOUNTS RECEIVABLE

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

F. ALLOCATION AND FUNCTIONAL EXPENSES

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases. The Arc records its expenses in several ways: direct, indirect and central office overhead (COO). Direct costs are the total costs of direct support where staff is paid for only that program. Indirect costs are of two types. Level I indirect costs are salary expenses of an employee whose activities are shared between more than one program in the same department. Level II indirect costs are salary expenses shared between more than one department. COO expenses represent the Supporting Services costs.

G. PROGRAMS

The Arc's principal programs, and primary funding sources are:

Supported Employment – This income is derived primarily from the Louisiana Department of Health through two Medicaid Waivers, the NOW and the Supports Waiver. These funds are used to train clients in vocational activities and supportive services. Also, some income is derived from the Louisiana Workforce Commission, Office of Louisiana Rehabilitative Services which specifically provides vocational training support to clients placed in jobs within the community.

Day Habilitation (Community Ventures beginning in FY 2023) - provides meaningful non-workday activities to men and women and is funded by Medicaid's NOW and Supports Waivers as well.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024 (Compiled) and 2023 (Compiled)

Supported Work Contracts - Supported Work Contract's income is derived from document destruction services by one client.

Supported Living - Supported Living's primary income is derived from the Louisiana Department of Health. Medicaid NOW Waiver. This home and community-based program helps the individual clients become more independent by providing support and training in their personal residences within the community. State funds for those without Medicaid Waivers are provided by the Office for Citizens with Developmental Disabilities, and some individuals are private pay.

Mallard Home – Mallard Home’s income is derived from the Louisiana Department of Health. Intermediate Care Facility for the Developmentally Disabled (ICF/DD) Medicaid Program. Clients pay a pro-rata share of the costs based on their income. This program provides clients with a home environment within the community and helps them become more independent citizens.

H. PROPERTY AND EQUIPMENT

Property and equipment are stated at cost. All donated property and equipment are recorded at fair market value on the date of the donation. The Arc capitalizes all property and equipment valued at \$1,000 or more and an estimated useful life of one year or more. Depreciation is computed on a straight-line basis over the useful lives of the property and equipment using the following estimated lives:

	<u>Years</u>
Buildings	15 - 30
Furniture and Equipment	3 - 10
Vehicles	5

I. COMPENSATED ABSENCES

The Arc’s vacation policy provides for the carryover of vacation to the subsequent year under special circumstances, but that carryover is limited to a ceiling not to exceed 10 days. There was no vacation time to accrue for the years ended June 30, 2024 and 2023. Sick days may be accumulated to a maximum of 6 days; however, employees are not paid for any unused sick days upon termination and therefore an accrual for sick leave is not reflected in the financial statements.

J. TAX-EXEMPT STATUS

The Arc is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, has no provision for Federal income taxes. Contributions to the Arc are tax deductible within the limitations prescribed by the Code. The Arc is subject to income tax examinations by the IRS and the Louisiana

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024 (Compiled) and 2023 (Compiled)

Department of Revenue; however, there are currently no examinations in progress for any tax periods. The Arc is subject to income tax examinations for the years ended June 30, 2015 and after.

K. CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the Arc considers demand deposits, time deposits and certificates of deposit with an original maturity of three months or less to be cash equivalents.

L. ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. RECLASSIFICATIONS

Minor reclassifications have been made to the financial statements to make them comparable to the current year presentation.

N. GRANTS

The ARC has opted to not implement FASB accounting methods for the recording of grant revenue due to the limited amount received by the organization.

Note 2 CASH

The Arc's (bank balance) at June 30, 2024, was \$750,278 of which \$663,673 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$86,605 is unsecured. The Arc has not experienced any losses due to unsecured cash balances and management does not believe it is exposed to significant risk.

Note 3 LIQUIDITY AND AVAILABILITY OF RESOURCES

At June 30, 2024, all of the Arc's cash balance was available for general expenditure needs. The Arc has no policy to invest cash in excess of daily requirements or structure its financial assets to be available as its general expenditures, liabilities and other obligations become due.

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024 (Compiled) and 2023 (Compiled)

Note 4 PROPERTY AND EQUIPMENT

Property and Equipment consisted of the following:

	June 30,	
	2024	2023
Buildings and Improvements	\$ 1,906,629	\$ 907,334
Furniture and Equipment	246,209	177,653
Vehicles	380,981	341,245
Land	145,150	95,150
Less: Accumulated Depreciation	<u>(675,103)</u>	<u>(553,229)</u>
Net Property and Equipment	<u>\$ 2,003,866</u>	<u>\$ 968,153</u>

Included in vehicles above are six vehicles that were acquired through Federal grants along with 20% matching funds from the Arc. The Arc retains the use of these vehicles as long as they are kept, maintained and used for the Arc's designated purpose. These vehicles are not to be sold or disposed of either during their useful life (5 years or 100,000 miles) or without the state's permission; therefore, these vehicles net of related depreciation along with the related net assets are shown as donor restrictions within the financials.

The owned properties at 900 North 3rd Street and 2103 Tower Drive, both in Monroe, LA were sold for \$150,000 on July 28, 2022 and \$250,000 on August 12, 2022, respectively. Additionally, property at 3101 Mercedes Drive, Monroe, LA 71201 was purchased for \$900,000 Cash on September 14, 2022. Modifications and renovations are needed for this building which will be funded by a Line of Credit/Mortgage Loan from Cross Keys Bank.

Note 5 NOTES PAYABLE

In January 2014, the Arc borrowed \$300,000 for the purchase and modification of a building for Shred operations. In the year ended June 30, 2023, this loan was paid in full after the building that was purchased was sold. In February of 2023, The Arc borrowed \$22,659 for the purchase of a 23 Toyota Tacoma. The future maturity for this debt is as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>
2025	\$ 5,651
2026	5,867
2027	3,433
Total	<u>\$ 14,951</u>

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024 (Compiled) and 2023 (Compiled)

The line of credit issued by Capital One Bank was converted into a mortgage for the property at 3101 Mercedes Drive, Monroe, LA 71201. It retains a balance of \$287,140 at the end of fiscal year 2024.

Note 6 DONOR RESTRICTED NET ASSETS

The following summarizes net assets that are donor restricted:

	June 30,	
	2024	2023
Accounts Receivable - United Way	\$ -	\$ 23,000
Vehicles - DOTD	260,655	260,655
Less: Accumulated Depreciation	<u>(243,699)</u>	<u>(226,682)</u>
Total	<u>\$ 16,956</u>	<u>\$ 56,973</u>

Note 7 DISCLOSURES ABOUT CONCENTRATIONS, COMMITMENTS, AND CONTINGENCIES

The Arc receives the majority of its revenue based on contracts with various Federal and state agencies. These contracts are subject to review by the respective agencies which could result in disallowed costs. Additionally, funding levels are subject to review on a periodic basis by the grantor agencies, which could result in changes in funding levels.

Note 8 OPERATING LEASES

Total rent expense was \$77,858 and \$112,155 for the years ended June 30, 2024 and 2023, respectively. The Arc has several lease commitments. However, these leases are either on a month-to-month basis or contain “funding-out” clauses which allow the agreements to be cancelled.

Note 9 TAX DEFERRED ANNUITY PLAN

The Arc offers its employees a tax deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers employees of the Arc. The Arc will match up to 3% of gross salaries of qualified employees who elect to participate in the plan. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code.

THE ARC OF OUACHITA (dba ARCO)
Monroe, Louisiana

Notes to the Financial Statements

As of and for the Year Ended June 30, 2024 (Compiled) and 2023 (Compiled)

The Arc contributed \$34,663 and \$27,871 on behalf of the participants for the years ended June 30, 2024 and 2023, respectively.

Note 10 EMPLOYER RETENTION CREDIT

In 2021 The Arc applied for the government offered Employer Retention Credit program. This program was for the purpose of supporting businesses through the financial hardships imposed by the Covid-19 pandemic by providing supplemental monetary aid in the form of payroll expense reimbursement. According to FASB Subtopic 958-605, Not-for-Profit Entities --- Revenue Recognition, revenue for this program would not be recognized until reasonable assurance is granted to the organization that is to receive the revenue. Therefore, the ARC considered receipt of the approval letter as fulfilling the reasonable assurance requirement to recognize the Employer Retention Credit Revenue.

Note 11 SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 1, 2025, the date the financial statements were available to be issued and determined that certain events occurred that require disclosure.

- In July of 2024 repairs to the roof of the Arc's building located at 113 Arkansas Ave were completed. Repairs amounted to \$13,205 requiring capitalization in next year's financial statements.

SUPPLEMENTARY INFORMATION

THE ARC OF OUACHITA (dba ARCO)
Monroe, Louisiana

Combining Schedule of Financial Position
June 30, 2024 (Compiled)

Schedule 1

	Program Services			
	Supporting Services	Supported Employment	Day Habilitation	Supportive Work Contracts
Assets				
Cash	\$ 731,066	\$ -	\$ -	\$ -
Accounts receivable				
Intergovernmental	-	11,034	63,650	-
Services	8,182	197	54	-
Contributions	-	-	-	-
United Way	-	-	-	-
Other	117	-	-	-
Due from other funds	384,647	-	-	-
Property and equipment	2,000,314	126,750	175,280	-
Accumulated depreciation	(280,574)	(101,317)	(143,538)	-
Prepaid expenses	2,584	18	35	-
Other deposits	25,150	-	-	-
Total assets	\$ 2,871,486	\$ 36,682	\$ 95,481	\$ -
Liabilities and net assets				
Current liabilities (payable from current assets)				
Accounts payable	\$ 30,248	\$ 675	\$ 3,067	\$ -
Due to other funds	-	32,245	87,784	-
Accrued payroll and taxes	41,914	3,762	4,631	-
Deferred revenue	-	-	-	-
Current portion of long-term obligations	13,269	-	-	-
Total current liabilities	85,432	36,682	95,481	-
Long-term liabilities				
Long-term obligations, net of current portion	296,505	-	-	-
Total long-term liabilities	296,505	-	-	-
Total liabilities	381,937	36,682	95,481	-
Net assets				
Without donor restrictions	2,472,593	-	-	-
With donor restrictions	16,956	-	-	-
Total net assets	2,489,549	-	-	-
Total liabilities and net assets	\$ 2,871,486	\$ 36,682	\$ 95,481	\$ -

Continued

THE ARC OF OUACHITA (dba ARCO)
Monroe, Louisiana

Combining Schedule of Financial Position(Concluded)
June 30, 2024 (Compiled)

Schedule 1

	Program Services		
	Supported Living	Mallard Home	Total All Funds
Assets			
Cash	\$ -	\$ -	\$ 731,066
Accounts receivable			
Intergovernmental	220,741	24,002	319,427
Services	6,097	1,107	15,637
Contributions	-	-	-
United Way	-	-	-
Other	1,828	27	1,972
Due from other funds	-	64,173	448,820
Property and equipment	253,138	123,487	2,678,969
Accumulated depreciation	(44,931)	(104,743)	(675,103)
Prepaid expenses	1,961	421	5,019
Other deposits	2,402	-	27,552
	<u>441,236</u>	<u>108,474</u>	<u>3,553,359</u>
Total assets	\$ 441,236	\$ 108,474	\$ 3,553,359
Liabilities and nets assets			
Current liabilities (payable from current assets)			
Accounts payable	\$ 24,967	\$ 101,189	\$ 160,146
Due to other funds	328,791	-	448,820
Accrued payroll and taxes	87,477	7,285	145,069
Deferred revenue	-	-	-
Current portion of long-term obligations	-	-	13,269
Total current liabilities	<u>441,236</u>	<u>108,474</u>	<u>767,305</u>
Long-term liabilities			
Long-term obligations, net of current portion	-	-	296,505
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>296,505</u>
Total liabilities	<u>441,236</u>	<u>108,474</u>	<u>1,063,810</u>
Net assets			
Without donor restrictions	-	-	2,472,593
With donor restrictions	-	-	16,956
Total net assets	<u>-</u>	<u>-</u>	<u>2,489,549</u>
	<u>441,236</u>	<u>108,474</u>	<u>3,553,359</u>
Total liabilities and net assets	\$ 441,236	\$ 108,474	\$ 3,553,359

THE ARC OF OUACHITA (dba ARCO)
Monroe, Louisiana

Combining Schedule of Activities
For the Year Ended June 30, 2024 (Compiled)
With Comparative Totals for the Year Ended June 30, 2023 (Compiled)

Schedule 2

	Program Services			
	<u>Supporting Services</u>	<u>Supported Employment</u>	<u>Day Habilitation</u>	<u>Supportive Work Contracts</u>
Support and Revenue				
Intergovernmental	\$ 69,042	\$ 74,784	\$ 202,620	\$ -
Charges For Services	-	-	33,038	46,383
Contributions and Grants	232,143	-	25,185	-
United Way Allocation	11,663	-	-	-
Membership Dues	30,266	-	-	-
Contributions and Net Revenues from Special Events				
Contributions	208,865	-	-	-
Sale of Fixed Assets	-	-	-	-
Other Revenues	421,825	6,300	300	-
Total support and revenue	<u>973,804</u>	<u>81,084</u>	<u>261,143</u>	<u>46,383</u>
Expenses				
Depreciation and Amortization	10,311	7,422	23,360	-
Dues and Subscriptions	5,213	678	1,012	-
Food	5,091	283	2,596	-
Insurance	5,357	20,010	34,740	-
Interest	17,929	30	42	-
Licenses and Inspections	149	25	231	-
Maintenance	2,865	4,977	12,474	-
Medical	225	636	516	-
Miscellaneous	94,275	10,139	13,596	-
Office Supplies and Postage	8,569	426	681	-
Payroll Taxes	7,575	10,459	14,596	-
Pension	2,221	1,734	1,462	-
Professional Fees	31,428	2,228	3,311	-
Public Awareness	6,572	1,263	3,505	-
Rent	40,400	2,045	2,983	-
Salaries	97,063	136,194	191,307	-
Supplies	4,988	464	3,130	-
Taxes	-	-	-	-
Telephone	4,236	7,364	4,024	-
Training	1,818	1,293	1,582	-
Transportation	129	4,056	9,747	-
Travel	555	1,168	173	-
Utilities	5,491	3,507	4,511	-
Total Expenses	<u>352,459</u>	<u>216,403</u>	<u>329,576</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenses	621,345	(135,319)	(68,433)	46,383

(continued)

THE ARC OF OUACHITA (dba ARCO)
Monroe, Louisiana

Combining Schedule of Activities (Concluded)
For the Year Ended June 30, 2024 (Compiled)
With Comparative Totals for the Year Ended June 30, 2023 (Compiled)

Schedule 2

	<u>Program Services</u>		<u>Total June 30,</u>	
	<u>Supported Living</u>	<u>Mallard Home</u>	<u>2024 (Compiled)</u>	<u>2023 (Compiled)</u>
Support and Revenue				
Intergovernmental	\$ 2,688,048	\$ 285,871	\$ 3,320,365	\$ 3,231,469
Charges For Services	18,890	49,290	147,601	256,448
Contributions and Grants	45	5,224	262,597	178,826
United Way Allocation	-	-	11,663	46,191
Membership Dues	-	-	30,266	28,334
Contributions and Net Revenues from Special Events				
Contributions	-	-	208,865	51,619
Costs of Direct Benefit to Donors	-	-	-	141,116
Other Revenues	274,950	3	703,378	831,596
Total support and revenue	<u>2,981,933</u>	<u>340,388</u>	<u>4,684,735</u>	<u>4,765,599</u>
Expenses				
Depreciation and Amortization	75,828	4,953	121,874	59,435
Dues and Subscriptions	12,023	1,078	20,004	16,633
Food	4,090	8,307	20,367	24,937
Insurance	172,819	17,668	250,594	206,897
Interest	522	44	18,567	1,715
Licenses and Inspections	178	1,715	2,298	2,023
Maintenance	25,259	5,223	50,798	124,628
Medical	13,506	2,922	17,805	20,678
Miscellaneous	127,195	34,786	279,991	98,008
Office Supplies and Postage	6,077	404	16,157	14,061
Payroll Taxes	198,230	16,519	247,379	209,930
Pension	25,733	3,513	34,663	27,871
Professional Fees	70,445	6,511	113,923	120,700
Public Awareness	28,746	1,273	41,359	36,729
Rent	30,426	2,004	77,858	112,155
Salaries	2,513,309	212,129	3,150,002	2,649,373
Supplies	4,909	5,445	18,936	18,558
	-	-	-	8,170
Telephone	55,578	3,938	75,140	80,193
Training	7,237	35,325	47,255	21,690
Transportation	5,417	298	19,647	15,614
Travel	18,851	42	20,789	22,046
Utilities	27,261	13,009	53,779	69,605
Total Expenses	<u>3,423,638</u>	<u>377,108</u>	<u>4,699,184</u>	<u>3,961,649</u>
Excess (Deficiency) of Revenues Over Expenses				
	(441,705)	(36,720)	(14,449)	803,950

(concluded)

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Combining Schedule of Activities

For the Year Ended June 30, 2024 (Compiled)

With Comparative Totals for the Year Ended June 30, 2023 (Compiled)

Schedule 2

	<u>Program Services</u>			
	<u>Supporting Services</u>	<u>Supported Employment</u>	<u>Day Habilitation</u>	<u>Supportive Work Contracts</u>
Other financing sources (uses)				
Operating Transfers In	-	135,319	68,433	-
Operating Transfers (Out)	<u>(635,794)</u>	<u>-</u>	<u>-</u>	<u>(46,383)</u>
Total Other Financing Sources (Uses)	<u>(635,794)</u>	<u>135,319</u>	<u>68,433</u>	<u>(46,383)</u>
Increase (Decrease) in Net Assets	(14,449)	-	-	-
Net Assets at Beginning of Year	<u>2,503,998</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 2,489,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Combining Schedule of Activities(Concluded)

For the Year Ended June 30, 2024 (Compiled)

With Comparative Totals for the Year Ended June 30, 2023 (Compiled)

Schedule 2

	<u>Program Services</u>		<u>Total June 30,</u>	
	<u>Supported Living</u>	<u>Mallard Home</u>	<u>2024 (Compiled)</u>	<u>2023 (Compiled)</u>
Other financing sources (uses)				
Operating Transfers In	441,705	36,720	682,177	384,846
Operating Transfers (Out)	<u>-</u>	<u>-</u>	<u>(682,177)</u>	<u>(384,846)</u>
Total Other Financing Sources (Uses)	<u>441,705</u>	<u>36,720</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	-	-	(14,449)	803,950
Net Assets at Beginning of Year	<u>-</u>	<u>-</u>	<u>2,503,998</u>	<u>1,700,048</u>
Net Assets at End of Year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,489,549</u>	\$ <u>2,503,998</u>

(concluded)

THE ARC OF OUACHITA (dba ARCO)
Monroe, Louisiana

**Schedule of Compensation, Benefits and Other Payments to Agency Head or
Chief Executive Officer**

For the Year Ended June 30, 2024 (Compiled)

Schedule 3

Agency Head: Roma Kidd, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 135,484
Benefits - Retirement	\$ 4,064
Reimbursements	\$ 4
Conference	\$ 241

THE ARC OF OUACHITA (dba ARCO)

Monroe, Louisiana

Summary Status of Prior Year Findings

For the Year Ended June 30, 2024

There were no findings included in our 2023 compilation report dated January 2, 2024, covering the compilation of the financial statements of The Arc of Ouachita (the Arc), as of and for the year ended June 30, 2023.