

*The Arc Rapides, Inc.
and Subsidiary*

Alexandria, Louisiana

June 30, 2025

The Arc Rapides, Inc. and Subsidiary

June 30, 2025

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Accountant's Review Report

To the Board of Directors
The Arc Rapides, Inc.
Alexandria, Louisiana

We have reviewed the accompanying consolidated financial statements of The Arc Rapides, Inc. (a nonprofit organization) and its subsidiary, which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of The Arc Rapides, Inc. and its subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Rebecca B. Morris, C.P.A.
Michael A. Juneau, C.P.A.
Cindy L. Humphries, C.P.A.

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PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors
The Arc Rapides, Inc.
Alexandria, Louisiana

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The supplementary information included in the Schedule of Compensation, Benefits, and Other Payments to the Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic consolidated financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

November 25, 2025

The Arc Rapides, Inc. and Subsidiary
Consolidated Statement of Financial Position
June 30, 2025

Exhibit A

Assets		
Cash and cash equivalents		\$ 1,878,302
Certificates of deposit		52,712
Grants and accounts receivable, net		373,130
Prepaid expenses		207,818
Other current asset		369
Property, plant, and equipment, net		1,637,977
Right-of-use assets for operating leases		138,228
Deposit on vehicles		<u>21,482</u>
	Total Assets	\$ 4,310,018
Liabilities and Net Assets		
Liabilities		
Accounts payable		\$ 11,693
Accrued liabilities		67,971
Compensated absences		23,834
Lease liabilities for operating leases - current		42,545
Lease liabilities for operating leases		<u>95,683</u>
Total Liabilities		241,726
Net Assets		
Without donor restrictions		3,934,109
With donor restrictions		<u>134,183</u>
Total Net Assets		<u>4,068,292</u>
	Total Liabilities and Net Assets	\$ 4,310,018

The accompanying notes are an integral part of the consolidated financial statements.

**The Arc Rapides, Inc. and Subsidiary
Consolidated Statement of Activities
Year Ended June 30, 2025**

Exhibit B

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains (Losses), and Other Support			
Program service fees			
Production and service contracts	\$ 113,915	\$ -	\$ 113,915
Food service	45,790	-	45,790
LA/DHH HCBS	3,520,208	-	3,520,208
LA/WC LRS	37,852	-	37,852
Contributions of cash and other financial assets	16,944	-	16,944
Contributions of nonfinancial assets	333,504	134,183	467,687
Thrift store sales, net of returns	199,321	-	199,321
Membership dues	300	-	300
Investment earnings			
Interest income	37,906	-	37,906
Dividend income	69,212	-	69,212
Miscellaneous revenue	312,202	-	312,202
Gain (loss) on sale of equipment	10,250	-	10,250
Fundraiser revenue, net	8,905	-	8,905
Total Revenues, Gains (Losses), and Other Support	4,706,309	134,183	4,840,492
Expenses			
Program Services			
Supported living	1,261,327	-	1,261,327
Supported employment	628,956	-	628,956
Day habilitation	673,882	-	673,882
Pre-vocational	234,172	-	234,172
Food service	113,275	-	113,275
Thrift store	475,434	-	475,434
Community Exploration	1,291	-	1,291
Supporting Services			
Management and general	1,145,096	-	1,145,096
Total Expenses	4,533,433	-	4,533,433
Change in Net Assets	172,876	134,183	307,059
Net Assets, Beginning of Year	3,761,233	-	3,761,233
Net Assets, End of Year	\$ 3,934,109	\$ 134,183	\$ 4,068,292

The accompanying notes are an integral part of the consolidated financial statements.

The Arc Rapides, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended June 30, 2025

Exhibit C

	Program Services						Community Exploration	Supporting Services	Total
	Supported Living	Supported Employment	Day Habilitation	Pre-Vocational	Food Service	Thrift Store	Management and General		
Salaries and wages	\$ 1,030,307	\$ 403,956	\$ 220,963	\$ 60,558	\$ 32,446	\$ 186,847	\$ -	\$ 674,670	\$ 2,609,747
Payroll taxes	133,201	40,020	24,696	25,789	3,589	14,934	-	97,433	339,662
Employee benefits	-	-	-	-	-	-	-	49,787	49,787
Personnel related expenses	6,158	4,643	3,033	259	510	882	-	1,642	17,127
Communications	10,474	4,316	5,134	2,126	241	1,505	-	60,176	83,972
Computer and software	3,432	197	-	-	-	209	1,291	5,507	10,636
Contract services	50	564	1,340	447	-	7,689	-	65,571	75,661
Dues and subscriptions	-	-	-	-	-	-	-	12,852	12,852
Equipment	3,573	1,476	1,849	746	19	475	-	584	8,722
Food expense	339	-	-	-	67,376	-	-	10,746	78,461
Insurance	26,323	12,877	26,875	12,569	1,865	-	-	9,112	89,621
Miscellaneous	-	-	-	-	-	180	-	-	180
Postage and freight	-	-	-	-	-	-	-	2,852	2,852
Program expenses	6,552	11,933	8,458	2,091	916	1,352	-	37,085	68,387
Property expenses	11,145	4,103	9,934	4,319	648	3,767	-	39,745	73,661
Public relations	1,930	3,405	4,767	227	-	-	-	2,821	13,150
Rent expense	-	-	-	-	-	35,659	-	-	35,659
Supplies	7,482	8,399	20,224	8,623	2,196	6,126	-	48,528	101,578
Training and in-service	2,599	859	613	-	40	435	-	3,336	7,882
Transportation	513	70,513	187,275	59,878	-	-	-	5,147	323,326
Travel	7,930	979	1,555	-	-	459	-	3,210	14,133
Utilities	7,834	12,313	29,809	12,961	1,944	12,991	-	9,841	87,693
Cost of goods sold	-	-	-	-	-	199,321	-	-	199,321
Depreciation	1,485	48,403	127,357	43,579	1,485	2,603	-	4,451	229,363
Total Expenses	<u>\$ 1,261,327</u>	<u>\$ 628,956</u>	<u>\$ 673,882</u>	<u>\$ 234,172</u>	<u>\$ 113,275</u>	<u>\$ 475,434</u>	<u>\$ 1,291</u>	<u>\$ 1,145,096</u>	<u>\$ 4,533,433</u>

The accompanying notes are an integral part of the consolidated financial statements.

**The Arc Rapides, Inc. and Subsidiary
Consolidated Statement of Cash Flows
Year Ended June 30, 2025**

Exhibit D

Cash Flows From Operating Activities	
Change in net assets	\$ 307,059
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	229,363
Amortization of right-of-use assets for operating leases	31,974
(Gain) loss on sale of equipment	(10,250)
Changes in operating assets and liabilities:	
Grants and accounts receivable	(251,997)
Prepaid expenses	(187,394)
Other current assets	16
Deposit on vehicles	(21,482)
Accounts payable	(36,175)
Accrued liabilities	(16,126)
Compensated absences	(2,932)
Lease liabilities for operating leases	(31,974)
Cash Provided by (Used in) Operating Activities	<u>10,082</u>
Cash Flows From Investing Activities	
Purchase of certificates of deposit	(395,890)
Proceeds from maturity of certificates of deposit	1,514,275
Proceeds from the sale of equipment	10,250
Purchase of property, plant, and equipment	(187,707)
Cash Provided by (Used in) Investing Activities	<u>940,928</u>
Cash Provided by (Used in) Financing Activities	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	951,010
Cash and Cash Equivalents, Beginning of Year	<u>927,292</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,878,302</u></u>

Additional Required Disclosures:

1. Management considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.
2. There was no interest paid during the year ended June 30, 2025.
3. There were no income taxes paid during the year ended June 30, 2025.
4. Noncash investing and financing transactions included:

Right-of-use assets obtained in exchange for new lease liabilities	\$ 30,048
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The accompanying notes are an integral part of the consolidated financial statements.

The Arc Rapides, Inc. and Subsidiary
June 30, 2025

Notes to Consolidated Financial Statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

The Arc Rapides, Inc. was incorporated in the State of Louisiana on February 10, 1955, as a non-profit organization to provide education, community-based training, and necessary support designed to culminate in the greatest possible level of independent living for individuals with intellectual and developmental disabilities in Rapides Parish, Louisiana. Programs include:

- Supported Living Program: individualized and family support services offered in homes and apartments that are designed to achieve and/or maintain outcomes of independence, productivity, and community inclusion.
- Supported Employment Program: individualized employment or mobile work crews provided in an integrated competitive work setting.
- Day Habilitation Program: individualized non-employment services that are focused on skill development in socialization, adaptive learning, recreation, and community experiences.
- Pre-Vocational Program: individualized facility-based paid work emphasizing productivity. Paid work is complemented with recreational and community inclusion opportunities.
- Food Service Program: facility-based lunch program for participants.
- Thrift Store Program: providing our community with a low-cost place to shop for everyday needs such as clothing, household goods, and furniture; helping people who are in difficult situations start over again; providing a place of employment for disabled individuals integrated in the community; and providing a reputable outlet for items people no longer need.
- Community Exploration Program: providing the opportunity for participants to explore the community for educational and recreation experiences.

Primary funding is derived from contracts for services with the State of Louisiana Department of Health and Human Services. The membership of the organization is open to all citizens of Rapides Parish, Louisiana, upon payment of dues.

Significant Accounting Policies

The consolidated financial statements of The Arc Rapides, Inc. and The Arc Rapides Thrift Store (collectively, the Arc) have been prepared on the accrual basis of accounting and include the balances and financial activities of both entities. All inter-entity accounts and transactions have been eliminated. The significant accounting policies are described below to enhance the usefulness of the consolidated financial statements to the reader.

The Arc Rapides, Inc. and Subsidiary
June 30, 2025

Notes to Consolidated Financial Statements

Basis of Presentation

The Arc reports information regarding its financial position and activities according to two classes of net assets:

- Net assets without donor restrictions – These net assets generally result from revenues generated by receiving contributions that have no donor-imposed restrictions, program service fees, and interest from operating investments, less expenses incurred in providing program related services and performing administrative functions.
- Net assets with donor restrictions – These net assets result from agreements, gifts of cash, and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently, until the donor restriction expires, that is until the stipulated time restriction ends, or the purpose of the restriction is accomplished.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include amounts in interest bearing and noninterest bearing checking accounts, interest bearing savings accounts, and short term, highly liquid investments.

Certificates of Deposit

Certificates of deposit have a maturity date in excess of 90 days when purchased and are stated at cost, which approximates market value.

Grants and Accounts Receivable

Grants and accounts receivable are recorded net of an allowance for credit losses based on management's judgement including such factors as prior collection history and the credit standing of the grantors/donors. Receivables are written off after all reasonable collection efforts have been exhausted.

Investments

Investments, if any, consist of marketable securities that are reported at fair market value based on quoted market prices.

Prepaid Expenses

Prepaid expenses include insurance premiums paid prior to year-end for coverage included in the next year.

The Arc Rapides, Inc. and Subsidiary
June 30, 2025

Notes to Consolidated Financial Statements

Property, Plant, and Equipment

Purchased property and equipment, including improvements thereto, are recorded at acquisition cost. Donated property and equipment are recorded at their fair value as of the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The Arc has adopted a minimum capitalization threshold for any individual item of \$5,000 and greater. Repairs, maintenance, and minor replacements are charged to operations as incurred. Major replacements and improvements that improve or extend the useful lives of the respective assets are capitalized at cost.

Leases

The Arc determines if an arrangement is a lease at the inception of the contract. The Arc's right-of-use asset represents their right to use the underlying asset for the lease term and the lease liability represents their obligation to make lease payments arising from the leases. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. If the lease's implicit interest rate is not readily determinable, the Arc will use a risk-free rate in lieu of determining the incremental borrowing rate. Operating leases with a term of twelve (12) months or less are not recorded in the consolidated statement of financial position. Leases with a term of one (1) month or less do not meet the definition of a short-term lease.

Accrued Liabilities

Accrued liabilities consist of salaries and related benefits and taxes payable at year-end.

Compensated Absences

Employees of the Arc are entitled to be paid for accrued time earned, depending on job classification, length of service, and other factors. Employees are allowed to carry over ten days of paid time off to the following year, but this is subject to change on a situational basis as determined by the executive director. The Arc accrues a liability for unused paid time off at fiscal year-end.

Revenues and Support

All contributions, grants, and fees are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions, grants, and fees received with donor-imposed restrictions are recorded as increases in net assets with donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Production and service contracts and food service revenue are invoiced monthly based on rates established by the Arc. These services are considered to be a performance obligation, which is satisfied over the period of time during which the services are rendered. Payment for these services is due upon receipt of the invoice. This method is consistent with the as-invoiced practical expedient.

Fundraiser revenue is reported net of fundraiser expenses in the consolidated statement of activities.

The Arc Rapides, Inc. and Subsidiary
June 30, 2025

Notes to Consolidated Financial Statements

The Arc owns a thrift store, which is a subsidiary of the Organization. It sells clothing, accessories, and household items that have been donated to the Thrift Store by the general public. The transaction price is established by the Thrift Store based on thrift store price values common for these items. The performance obligation is the delivery of the goods to the customer. As each item is individually priced, no allocation of the transaction price is necessary. The Arc and Thrift Store recognize sales revenue as the customer pays and takes possession of the merchandise.

Contributions of Nonfinancial Assets

Donated equipment and services are reflected as contributions of nonfinancial assets at their estimated fair value at the date of receipt and are recorded as expenses for current operations. Donated services that require specialized skills are provided by individuals possessing those skills. The Arc would be required to purchase these services if donated services were not available. The Arc uses the donated equipment and services for its own programs and supporting services. The Arc will occasionally sell donated equipment at the end of its useful life. Two vans were donated in the amount of \$268,366 for the year ended June 30, 2025. There were no donated services reflected in the consolidated financial statements for the year ended June 30, 2025.

Donated goods received by the Thrift Store are valued at estimated fair value using valuation guides available from other thrift stores, which mimics the expected sales value. Donated goods are reflected as contributions of nonfinancial assets upon receipt of the goods.

Functional Allocation of Expenses

Costs incurred by the Arc from providing various program and support services have been presented on a functional basis in the consolidated statement of functional expenses. Accordingly, costs have been allocated on a reasonable and consistent basis among the functional areas benefited. Most expenses are charged directly to program or support services based on specific identification. Other expenses are allocated based on square footage of the buildings in which each program operates, and depreciation for vehicles is allocated based on information from the Transportation Census.

Public Relations

Public relation costs are expensed when incurred. Public relation costs charged to expense for the year ended June 30, 2025, totaled \$13,150.

Income Tax Status

The Arc is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Arc's tax returns remain subject to audit by the IRS for three years after filing. At June 30, 2025, the returns for tax years 2022, 2023, and 2024 remain open.

Subsequent Events

Management has evaluated subsequent events through November 25, 2025, the date which the consolidated financial statements were available for issue.

The Arc Rapides, Inc. and Subsidiary
June 30, 2025

Notes to Consolidated Financial Statements

2. Grants and Accounts Receivable

	June 30, 2025	June 30, 2024
Support receivable (DHH)	\$ 238,947	\$ 121,133
Grant receivable	134,183	-
Less:	373,130	121,133
Allowance for credit losses	-	-
	\$ 373,130	\$ 121,133

3. Property, Plant, and Equipment

The following schedule summarizes estimated useful life, cost, and accumulated depreciation of property, plant, and equipment as of June 30, 2025:

	Life	2025
Land		\$ 43,757
Construction in progress		2,500
Land improvements	5 Years	19,400
Building and improvements	15 – 40 Years	1,510,144
Leasehold improvements	7 Years	18,223
Vehicles, furniture, and equipment	4 – 10 Years	1,870,424
		3,464,448
Less: accumulated depreciation		(1,826,471)
		\$ 1,637,977

Depreciation expense for the year ended June 30, 2025, was \$229,363.

4. Right-of-Use Lease Assets and Liabilities

The Organization has four long-term non-cancelable operating lease arrangements. Operating leases provide for increases in future minimum annual rental payments. The weighted-average discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term. Operating leases with a term of twelve (12) months or less are not recorded on the consolidated statement of financial position.

The following are the terms of the lease agreements entered into by the Organization:

- In July 2023, an agreement was signed with Moore Properties, LLP to lease a facility located in Alexandria, Louisiana for the thrift store with monthly lease payments of \$3,200 expiring on August 31, 2028.
- In February 2025, an agreement was signed with Pitney Bowes to lease a postage machine with monthly lease payments of \$32 expiring in January 2030.
- In March 2025, an agreement was signed with Giles Hyundai to lease a 2025 Hyundai Kona with monthly lease payments of \$408 expiring February 2028.
- In March 2025, an agreement was signed with Giles Hyundai to lease a 2025 Hyundai Kona with monthly lease payments of \$432 expiring February 2028.

The Arc Rapides, Inc. and Subsidiary
June 30, 2025

Notes to Consolidated Financial Statements

Total right-of-use lease assets and liabilities at June 30, 2025, are as follows:

	<u>Amount</u>
Lease Assets – Classification in Consolidated Statement of Financial Position	
Right-of-use assets for operating leases	\$ 182,816
Accumulated amortization	<u>(44,588)</u>
	138,228
Lease Liabilities – Classification in Consolidated Statement of Financial Position	
Lease liabilities for operating leases - current	\$ 42,545
Lease liabilities for operating leases	<u>95,683</u>
	138,228

Total lease costs for the year ended June 30, 2025, are as follows:

Operating lease costs	\$ 37,879
Weighted-average discount rate:	
Operating leases	5.31%
Weighted-average remaining lease term:	
Operating leases	3.07 years

Future minimum lease payments required under the operating lease in effect at June 30, 2025, that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Years Ending June 30,</u>	<u>Amounts</u>
2026	\$ 48,860
2027	48,860
2028	45,501
2029	6,784
2030	<u>223</u>
Total lease payment	150,228
Less: imputed interest	<u>(12,000)</u>
Present value of liability	\$ 138,228

5. Liquidity and Availability of Financial Assets

The following reflects the Arc's financial assets as of June 30, 2025, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restrictions or internal designations.

The Arc Rapides, Inc. and Subsidiary
June 30, 2025

Notes to Consolidated Financial Statements

	<u>June 30, 2025</u>
Financial assets:	
Cash and cash equivalents	\$ 1,878,302
Certificates of deposit	52,712
Grants and accounts receivable, net	373,130
Prepaid expenses	207,818
Other current asset	369
Total financial assets	2,512,331
Less those unavailable for general expenditure within one year, due to:	
Restricted by donors with purpose restrictions	134,183
Financial assets available to meet cash needs for general expenditures within one year	\$ 2,378,148

The Arc must maintain sufficient resources to meet responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Arc's liquidity management, it structures its financial assets to be available as general expenditures, liabilities, and other obligations come due. In addition, the Arc anticipates covering its general expenditures by collecting sufficient revenues, investing excess cash in certificates of deposit, and utilizing resources from current year contributions and program service fees.

6. Significant Concentrations

The Arc maintains checking accounts, savings accounts, and certificates of deposit in various financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The organization's deposits exceeded FDIC coverage by \$308,044 at June 30, 2025.

Investments of debt securities and certificates of deposit are traded on national stock exchanges and are subject to fluctuations in value. These accounts are insured up to \$500,000, which includes a \$250,000 limit for cash, by Securities Investor Protection Corporation (SIPC). SIPC insurance covers theft or destruction of securities or cash. It does not protect against market losses. The uninsured cash, certificates of deposit, and investment balances held in brokerage accounts totaled \$891,662 at June 30, 2025.

The State of Louisiana Department of Health and Hospitals (DHH) Home and Community Based Service Provider (HCBS) and Workforce Commission's (WC) Louisiana Rehabilitation Services (LRS) provided \$3,558,060 in service contract funds, which is approximately 73% of total revenues and support. Without these funds, programs would be significantly affected.

Supplementary Information

The Arc Rapides, Inc. and Subsidiary
Schedule of Compensation, Benefits, and Other Payments
to the Agency Head or Chief Executive Officer
June 30, 2025

Schedule 1

Duane Urbina, Executive Director

Salary	\$ 94,820
Reimbursements	1,057
Meals	69
Cell phone	600
Total	<u>\$ 96,546</u>

See independent accountant's review report.

The Arc Rapides, Inc.

*Agreed-Upon Procedures Report on Federal,
State, and Local Awards*

Alexandria, Louisiana

June 30, 2025

The Arc Rapides, Inc.

June 30, 2025

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

**Independent Accountant's Report
on Applying Agreed-Upon Procedures
on Federal, State, and Local Awards**

To the Board of Directors
The Arc Rapides, Inc.
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on The Arc Rapides, Inc.'s (the Arc) compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2025, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide. The Agency's management is responsible for its financial records and compliance with applicable laws and regulations.

The Arc has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the Arc's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire during the fiscal year ended June 30, 2025, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures are appropriate for their purposes.

The procedures and associated results are as follows:

Federal, State, and Local Awards

1. **Procedure:** Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Organization's management.

Results:

- a) The Arc provided us with the following list of expenditures made for federal grant awards received during the fiscal year ended June 30, 2025. No exceptions were noted as a result of performing this procedure.





PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors
The Arc Rapides, Inc.
and the Louisiana Legislative Auditor

<u>Grant Name</u>	<u>Grant Year</u>	<u>Assistance Listing/CFDA No.</u>	<u>Amount</u>
Department of Transportation – Enhanced Mobility of Seniors and Individuals with Disabilities	2024-2025	20.513	\$ 268,366

- b) The Arc represented that they received no state government grant awards during the fiscal year ended June 30, 2025.
- c) The Arc represented that they received no local government grant awards during the fiscal year ended June 30, 2025.

2. **Procedure:** For each federal, state, and local government grant award, randomly select six (6) disbursements from each grant administered during the fiscal year, provided that no more than thirty (30) disbursements are selected.

Results: No exceptions were noted as a result of performing this procedure.

3. **Procedure:** Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

Results: No exceptions were noted as a result of performing this procedure.

4. **Procedure:** Report whether the selected disbursements were coded to the correct fund and general ledger account.

Results: No exceptions were noted as a result of performing this procedure.

5. **Procedure:** Report whether the selected disbursements were approved in accordance with the Organization’s policies and procedures.

Results: No exceptions were noted as a result of performing this procedure.



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- Procedure:** For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

Results: No exceptions were noted as a result of performing this procedure.

- Procedure:** Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Organization's financial records; and report whether the amounts in the close-out reports agree with the Organization's financial records.

Results: Not applicable – No close-out reports required.

Open Meetings

- Procedure:** Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Results: This procedure is not applicable for nonprofit organizations.

Budget

- Procedure:** For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the Organization provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state, and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

Results: No exceptions were noted as a result of performing this procedure.

State Audit Law

- Procedure:** Report whether the Organization provided for a timely report in accordance with R.S. 24:513.

Results: No exceptions were noted as a result of performing this procedure.



PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors
The Arc Rapides, Inc.
and the Louisiana Legislative Auditor

11. **Procedure:** Inquire of management and report whether the Organization entered into any contracts that utilized state funds as defined in R.S. 37:72.1 A. (2); and that were subject to the public bid law (R.S.38:2211, et seq.), while the Organization was not in compliance with R.S. 24:513 (the audit law).

Results: This procedure is not applicable. No state funds were received.

Prior Year Comments

12. **Procedure:** Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

Results: This procedure is not applicable. There were no prior year suggestions, recommendations, or comments.

We were engaged by the Arc to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Arc's compliance with the foregoing matters. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Arc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on the Arc's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

November 25, 2025

**LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)**

10/30/2025 (Date Transmitted)

Payne, Moore, & Herrington, LLP (CPA Firm Name)

P.O. Box 13200 (CPA Firm Address)

Alexandria, LA 71315-3200(City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of 06/30/2025 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No [] N/A []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No [] N/A []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No [] N/A []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No [] N/A []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No [] N/A []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No [] N/A []

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No [] N/A []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes No [] N/A []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes No [] N/A []

We have complied with R.S. 24:515.2 regarding reporting of pre- and post- adjudication court costs, fines and fees assessed or imposed; the amounts collected; the amounts outstanding; the amounts retained; the amounts disbursed, and the amounts received from disbursements.

Yes No [] N/A []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No [] N/A []

General

We acknowledge that we are responsible for the Agency's compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No [] N/A []

We acknowledge that we are responsible for determining that the procedures performed are appropriate for the purposes of this engagement.

Yes No [] N/A []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No [] N/A []

We have provided you with all relevant information and access under the terms of our agreement.

Yes No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No [] N/A []

We are not aware of any material misstatements in the information we have provided to you.

Yes No [] N/A []

We have disclosed to you any communications from regulatory agencies, internal auditors, other independent practitioners or consultants, and others concerning noncompliance with the foregoing laws and regulations, including communications received during the period under examination; and will disclose to you any such communication received between the end of the period under examination and the date of your report.

Yes No [] N/A []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies all known noncompliance and other events subsequent to the date of this representation and the date of your report that could have a material effect on our compliance with laws and regulations and the internal

controls with such laws and regulations, or would require adjustment or modification to the results of the agreed-upon procedures.

Yes [] No [] N/A []

The previous responses have been made to the best of our belief and knowledge.

<u>Jaquet D. Tompkins</u>	Secretary	<u>11/4/2025</u>	Date
<u>Paul Sawant</u>	Treasurer	<u>11-4-25</u>	Date
<u>Joe Mraz</u>	President	<u>11-4-25</u>	Date