



**Board Meeting Agenda
123 Brooks St.
Tuesday, September 26, 2023**

- I. Call to Order & Determination of a Quorum – H. Marshall
- II. Welcome Guests – H. Marshall
- III. Public Comment
- IV. **Consent Agenda** – H. Marshall
Board Meeting Minutes 7/24/2023
Action Item: Approve Consent Agenda
- V. Assignment of Item(s) Removed from Consent Agenda to Agenda
- VI. Committee Reports: H. Marshall
 - A. Executive Committee – H. Marshall
 - 1. Executive Committee Meeting Minutes September 14, 2023
No Action Items
 - 2. Chronological Timeline of Bylaws Amendments
 - B. Governance Committee – A. Johnston
No Action Items
 - C. Internal Committee Report – H. Marshall
 - 1. Budget and Finance Committee: M. Neely
 - a. Budget and Finance Committee Meeting MINUTES 08.29.2023
 - b. 2022 Combined Financials draft from CPA
 - c. August 2023 YTD Financials
 - d. Julie Rivers Grant and Building Income & Expenses Reports (**Closed Session**)
 - Action Items:**
 - (1) **Approve 2022 Combined Financials from CPA**
 - (2) **Approve August 2023 YTD Financials**
 - 2. Real Estate Committee - T. Zafar (**Closed Session**)
 - a. Julie Rivers – Floor plans – Original vs Final
 - b. Brazos Glen Group Home – Sold August 31, 2023
 - Action Items:**
August 2, 2023 Meeting MINUTES: Ratify Email Votes approving following:
 - (1) **Sale of Brazos Glen “as-is” for \$165,000**
 - (2) **One-year lease for Rustic Trail**
 - (3) **Previously signed AIA contract and Estimate from Crain Group with the Agreement Clarification attached****September 6, 2023 Meeting MINUTES:**
 - (1) **Ratify renewed leases of Grant Dr., Chapman Falls, Thomas Jefferson, Wagon Wheel, Cotter Ln., and Willow Springs under terms and conditions approved by committee.**
 - (2) **Ratify “practiced procedures” followed by Real Estate Committee to renew leases.**

- (3) Committee recommends Board approve the procedure for change-orders and pay requests on the Julie Rivers renovation project.

- VII. CEO Report
- A. Program Highlights July and August 2023
 - B. Dedication Plaque for Julie Rivers
 - C. FTE – Fundraising and Public Relations Liaison Packet
 - 1. Memo to Exec_Board 9/15/2023
 - 2. Fundraising/Public Relations Liaison Job Description
 - 3. Fundraising/Public relations Salary Recommendation
- VIII. New Business – H. Marshall
Updated Board Committee Assignments
- IX. Adjourn

Next Board Meeting: Tuesday, October 24, 2023



Board of Directors Meeting Minutes
July 24, 2023
Start time 6:03 p.m. - Adjourned 8:27 p.m.
The Arc Office

Attendees: H. Marshall, Chairperson; T. Zafar, Vice Chairperson; M. Neely, Treasurer; T. Duez, Secretary; A. Johnston, Chair of Governance Committee; L. Lobue, Past Chairperson; J. Alcala-Hamilton; K. Casey; S. Lee; L. LaVigne, CEO

Absent:

Guests:

I. Call to Order & Determination of Quorum

H. Marshall determined a quorum was present and called the meeting to order

II. Welcomed new Board Officers: T. Duez and M. Neely

Took a moment for Board to discuss the passing of Joe David Patterson

Discussed donations in his memory

Board discussed a way to commemorate Joe David and will look for a way to honor the family as we open the new building

Action Item: L. LaVigne or Chair H. Marshall will ask James Patterson about an approach.

III. Public Comment

None

IV. Consent Agenda

Board Meeting Minutes – 06.27.2023

Real Estate Committee Minutes – 07.05.2023

Motion to accept consent agenda by Megan Neely. Seconded by Tariq Zafar.

Motion Approved

V. CEO Report: L. LaVigne

Reviewed program highlights for June 2023

Discussed programs and attendance

A. Johnston asked if the board could also be presented The Arc's membership numbers and other attendance numbers for the Sports Banquet, etc.

Action Item: L. LaVigne agreed to include these numbers in the next CEO report.

Removed LV Branding from the agenda

Added Fundraising Position to the agenda

1. L. LaVigne discussed reasons for the position with the board
2. J. Alcala-Hamilton asked about adding grant writing
3. K. Casey commented that the main job is selling, raising funds, and relationships; a "sales" person
4. A. Johnston shared a job description that she copied from The Arc of N. Florida
5. T. Duez shared a job description from ChatGPT that included metrics

6. A. Johnston questioned if this position should be focused on fundraising and not on legislative advocacy.
7. Best in the West was previously being supported administratively by admin assistants of Jo Ann Stevens and then by staff of J. Patterson. This is now lacking and needs more support from The Arc itself.
8. Various board members mentioned that the number one job is to bring in funds and grow the awareness of The Arc in the community. Other compensation approaches were discussed.
9. L. LaVigne mentioned research from other non-profits regarding this type of position.
10. The board agreed that they saw the need for creating this position contingent upon a refined job description, metrics for success, and an understanding of salary and benefits.

Action Items:

- L. LaVigne agreed refine the job description
- L. LaVigne will take this to Budget and Finance Committee
- Budget and Finance Committee will analyze the compensation numbers

Committee Reports

Executive Committee - Chair H. Marshall

11. Reviewed Committee Assignment document

Action Item: Add L. Lobue's name to the Budget & Finance Committee

12. Discussion of Fundraising position occurred during CEO Report
13. Discussion of Admin position was deferred
14. Discussion of Rice Capstone Project was also deferred
15. Discussed moving Board Meetings to the fourth Tuesday of the month to avoid conflicts with Special Olympics. Motion made by L. Lobue. K. Casey seconded the motion.

Motion Approved by all board members.

Action Item: Move scheduled board meetings in September & December to September 26 and December 19.

16. Discussed adding an additional board meeting in October on the 24th (tentative)

Governance Committee – A. Johnston

17. Pursuant to Board directive of June 27, 2023, By-law revision suggestions were reviewed and presented by A. Johnston and T. Zafar. Significant revisions include changes to the length of terms of service of Directors and Officers; the number of Members required to establish a quorum; provisions for the removal of Directors or Officers; and the addition of an Article addressing transactions of the Corporation. After a lengthy discussion by the Board:

Action Items:

- T. Zafar will update and distribute revised by-laws to Governance Comm
- A. Johnston will distribute these edits to the Board for review and comment

18. Special Meeting of General Membership

- Special Meeting will be scheduled for September 26, 2023 to vote on the new by-laws

Internal Committee Report

19. Budget and Finance Committee – M. Neely

- i. 2022 Financials Review was deferred
- ii. Reviewed June 2023 YTD Financials
- iii. Julie Rivers Grant and Building Reports were also reviewed

Board Unanimously Approved June 2023 Financials

20. Real Estate Committee – T. Zafar

- iv. Contract from Crain was received and approved by the Committee
- v. Contractor Crain Group has Submitted to City of Sugar Land for building permitting
- vi. Brazos Glen – sell as is – trying to find buyers. H. Marshall mentioned that he just received an offer that he will forward to the committee
- vii. T. Duez asked about the Crain contract and what would trigger this to go to the board for review and approval
- viii. Multiple board members mentioned that they hadn't seen the proposed floor plan or bid for the construction at the Julie Rivers meeting

Action Item: L. LaVigne agreed to send out the floor plan and the estimate from Crain to the Board.

VI. New Business: None discussed

VII. Adjourn: Meeting adjourned at 8:27 PM

Attested to:

Traci Duez

Secretary, Board of Directors

Next Board of Directors Meeting: Tuesday, September 26, 2023



Executive Committee Meeting Minutes
September 14, 2023
T. Zafar's Office

Present: H. Marshall, T. Zafar, M. Neely, L. LaVigne
Absent: T. Duez, A. Johnston, L. Lobue

- I. **Welcome** - H. Marshall welcomed the committee members in attendance. With three members not in attendance and evidently not able to participate remotely, it was agreed that Executive Committee would proceed with the meeting but cannot take any vote on any Executive Committee action items.

II. **Governance Committee – H. Marshall**

H. Marshall presented a chronology of the committee's and Board's efforts towards the goal of amending The Arc's Bylaws, culminating the upcoming Special Meeting on September 26, 2023, for the sole purpose of putting the amended Bylaws to a vote for approval by the General Membership.

A draft of the Special Meeting agenda was reviewed. H. Marshall will address the Special Meeting attendees with a brief outline of the bylaw changes before a vote is taken. Upon completing the voting, he will thank the members and then will excuse the non-board members so that the Board meeting can be called. (Members are invited to stay, but will later need to be excused when the Board must go into closed sessions).

No Action Items for Board Approval

III. **Internal Committee Reports**

- a. Budget & Finance: M. Neely
M. Neely reviewed the 8/29/2023 Budget and Finance Committee Meeting minutes.

Action Items for the Board Agenda from Committee:

1. Approve the 2022 Combined Financials from CPA
2. Approve the August YTD 2023 financials.

- b. Real Estate Committee Meeting: T. Zafar
T. Zafar reviewed the minutes from the August 2, and September 6, Real Estate Committee meetings.

Action Items for the Board Agenda from Committee:

1. Ratify sale of Brazos Glen,
2. Ratify executed Julie Rivers AIA contract and estimate from Crain Group with Agreement Clarification attached,
3. Ratify leases for Rustic Tr., Grant Dr., Chapman Falls, Thomas Jefferson. Wagon Wheel, Cotter Ln., & Willow Springs.

4. Ratify "practiced procedures" followed by the Real Estate committee to renew leases.
5. Approve R/E Committee's proposed procedures for managing change-orders and pay requests on the Julie Rivers renovation project.

IV. Executive Committee: H. Marshall

CEO LaVigne reviewed her outline she intends to present to the Board for the request of the new fundraising director position. In the absence of a quorum, Executive Committee could not vote on recommending the proposal. CEO Requested that her proposal request be moved to the CEO report of the Board meeting. No vote taken; no objections from the Executive Committee members in attendance to move this agenda item.

No Action Items

V. CEO Report: L. LaVigne

L. LaVigne briefly reviewed highlights. Since there was not a quorum to approve Cynthia Turner for the Foundation Board, this action will be moved to the October 11, 2023 Executive Committee agenda.

VI. July 24, 2023 – Board Meeting Agenda: H. Marshall

Committee reviewed and made edits to the draft agenda.

Next Executive Committee Meeting: Wednesday, October 11, 2023, 4:45 PM

A chronological timeline of the Governance Committee work done regarding the Bylaws amendments since June:
By Hal Marshall

- In the June 27 Board meeting, the Governance Committee was tasked with reviewing and revising the bylaws. During the month following this meeting, the Governance Committee did a significant amount of work writing and re-writing the Bylaws
- At the July 24th Board meeting, pursuant to Board directive of June 27, 2023, the Bylaws revision suggestions were reviewed and presented by Ann and Tariq. Significant revisions include changes to the length of terms of service of Directors and Officers; the number of Members required to establish a quorum; provisions for the removal of Directors or Officers; and the addition of an Article addressing transactions of the Corporation. At the meeting, the Board agreed to hold a Special Meeting of the membership in September, just prior to the September Board meeting; at this Special Meeting a vote to be taken on the new Bylaws.
- Following the July 24th meeting, pursuant to the direction of the Board, Tariq completed an update of the Bylaws and distributed to the Committee. After the Committee completed a further review, Ann sent out a marked-up revision on July 28 to the entire Board for review and comment. Larry sent us comments on the same day, some which were addressed and incorporated and some which I believe Tariq spoke directly to Larry about.
- With no other comments received for almost a month after the final distribution, the Committee determined the proposed revision to the Bylaws was ready to be presented to the Membership for consideration.
- On August 31, I instructed the Office to send the required notice of the September 26 Special Meeting to all Members of the Arc. The Notice included a link to a full presentation of the revised Bylaws.

I believe that the Committee has done great work and that we have adhered to the schedule and time-line that was set forth by the Board to manage the process of revising the bylaws and presenting them for approval. If anyone feels we have erred in this process, or if there are further Bylaws revisions that need to be considered, this can be addressed at the Executive Committee meeting.

Budget and Finance Committee
Meeting Minutes
08.29.2023

Present: M. Neely, Chair; J. Gortney, L. Lobue, H. Marshall, L. LaVigne

Absent: T. Duez, S. Lee

- 1) Financial Internal Controls Document: The need to update and edit The Arc's Financial Internal Controls was discussed. L. Lobue questioned if this is a Governance Committee function. It was discussed and agreed that the review and editing work of the document is to be done primarily by the B & F Committee (as it is predominately financial in nature), and the B & F chair will liaise with Governance chair as we proceed. 1st draft edits were discussed. B & F committee members are to review the draft and get comments back to the B & F committee chair within two weeks (Sept 12).
- 2) July 2023 YTD financials: Committee reviewed and discussed the need to add the Julie Rivers building to the asset section of the balance sheet.

Action Item: The financials were accepted, subject to discussion with the CPA on the accounting treatment to add the Julie Rivers building to the balance sheet. BS will be corrected before Sept. board meeting.
- 3) 2024 Operating Budget Prep: A preliminary discussion regarding the end-of-year budget variances took place and it was determined it was too early to look at final variances. Planning calendar for meetings on 2024 operating budget: 1st Budget planning meeting is scheduled for September 27th (4:45 p.m.)
- 4) B & F Committee Meeting Schedule: Chair, M. Neely, proposed that the B & F Committee schedule meetings on no less than a quarterly basis for 2024, as opposed to the historical, "as needed" approach. Formal meeting dates will be established at the beginning of the year 2024.
- 5) Cash Position/FDIC Rule Compliance: Committee discussed the large cash position and the issue of FDIC deposit insurance. J. Gortney mentioned "ICS Daily Sweep" capability at Prosperity, and will look into it. A brokerage account was discussed but may be problematic. A possible temporary sweep/transfer to the Foundation was discussed, which may create some accounting issues. No action on this subject at this time.
- 6) Proposed Salary for Proposed FTE (Fundraising & Public Relations Liaison): CEO, L. LaVigne, presented a proposed salary for Fundraising FTE position. She discussed some comparable information she obtained in discussions with other organizations, citing that in some cases this position may be in the six figure range. Board Chair, H. Marshall stated that adding the position is still subject to full Board approval and that this salary discussion in no way represents the Committee's position regarding approval of the new FTE. It was discussed that the benefits and payroll tax costs would add another \$13,000-\$18,000 to the cost; also that If the position is ultimately approved, these costs will need to be incorporated into the 2024 budget, as well as

the anticipated fundraising revenue increases commensurate with the investment being made towards fundraising.

- 7) 2022 Combined Financial Review: Chair, M. Neely, presented the draft of the CPA-prepared 2022 Reviewed Financial Statement (combined). The Committee members are to review, and to get back to the B & F Chair within two weeks with any comments/questions. M. Neely will communicate with CPA on any questions or issues, if needed. Goal is to present to Board on September 26 for approval and acceptance. L. LaVigne will send the document with the minutes to the committee.

DRAFT

**THE ARC OF FORT BEND COUNTY
AND ARC OF FORT BEND
COUNTY FOUNDATION**

COMBINED FINANCIAL STATEMENTS

December 31, 2022 and 2021

along with

Accountant's Review Report

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

DRAFT
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
The Arc of Fort Bend County and
Arc of Fort Bend County Foundation
Sugar Land, Texas

We have reviewed the accompanying combined financial statements of The Arc of Fort Bend County and Arc of Fort Bend County Foundation, non-profit organizations (collectively, the Organization), which comprise the combined statement of financial position as of December 31, 2022, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the combined financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined 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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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

Report on Supplementary Information

The combining statements of financial position and activities on pages 16 and 17 are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements. The information has been subjected to the review procedures applied in our review of the combined 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.

Report on Summarized Comparative Information

The 2021 financial statements were reviewed by us and our report thereon, dated May 26, 2022, stated we did not audit those financial statements and, accordingly, express no opinion or other form of assurance on them. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the reviewed financial statements from which it has been derived.

Randy Walker & Co.

San Antonio, Texas
June XX, 2023

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
COMBINED STATEMENTS OF FINANCIAL POSITION
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 2,911,615	\$ 2,336,735
Notes Receivable - current	5,230	4,703
Prepaid Expenses	64,510	56,253
Other Receivables	2,666	2,864
Total Current Assets	<u>2,984,021</u>	<u>2,400,555</u>
<u>LONG-TERM ASSETS</u>		
Investments	2,046,220	2,088,049
Notes Receivable - long-term	151,109	159,203
Property and Equipment - net	3,309,905	3,438,523
Deposits	13,500	3,500
Total Long-Term Assets	<u>5,520,734</u>	<u>5,689,275</u>
TOTAL ASSETS	<u>\$ 8,504,755</u>	<u>\$ 8,089,830</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$ 1,859	\$ 816
Deposits Payable	20,840	19,640
TOTAL LIABILITIES	<u>22,699</u>	<u>20,456</u>
<u>NET ASSETS</u>		
Without Donor Restrictions:		
Undesignated	7,638,814	7,976,374
Board-Designated	93,242	93,000
Total Without Donor Restrictions	<u>7,732,056</u>	<u>8,069,374</u>
Without Donor Restrictions:		
Purpose-Restricted	750,000	-
Total With Donor Restrictions	<u>750,000</u>	<u>-</u>
TOTAL NET ASSETS	<u>8,482,056</u>	<u>8,069,374</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,504,755</u>	<u>\$ 8,089,830</u>

See accompanying notes and independent accountant's review report.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
COMBINED STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022
(with comparative totals for 2021)**

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
			2021 Total
<u>OPERATING REVENUE AND SUPPORT</u>			
Contributions and Grants	\$ 29,783	\$ 799,022	\$ 828,805
Rental Income	468,825	-	468,825
Special Events - net of direct expenses of \$41,276 and \$11,405, respectively	333,861	-	333,861
In-Kind Rent	23,767	-	23,767
Interest Income	12,739	-	12,739
Program Service Fees	13,412	-	13,412
Other Income	1,100	-	1,100
Net Assets Released from Restrictions	49,022	(49,022)	-
TOTAL OPERATING REVENUE AND SUPPORT	932,509	750,000	1,682,509
<u>OPERATING EXPENSES</u>			
Program	698,965	-	698,965
General and Administrative	251,808	-	251,808
Fundraising	47,066	-	47,066
TOTAL OPERATING EXPENSES	997,839	-	997,839
CHANGE IN NET ASSETS BEFORE NON- OPERATING ACTIVITIES	(65,330)	750,000	684,670
<u>NON-OPERATING ACTIVITIES</u>			
Insurance Proceeds	19,933	-	19,933
PPP Loan Forgiveness	-	-	-
Gain on Sale of Property	-	-	-
Investment (Loss) Income - net	(291,921)	-	(291,921)
TOTAL NON-OPERATING ACTIVITIES	(271,988)	-	(271,988)
CHANGE IN NET ASSETS AFTER NON- OPERATING ACTIVITIES	(337,318)	750,000	412,682
NET ASSETS, Beginning of Year	8,069,374	-	8,069,374
NET ASSETS, End of Year	\$ 7,732,056	\$ 750,000	\$ 8,482,056

See accompanying notes and independent accountant's review report.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2022
(with comparative totals for 2021)**

	Program							Fundraising					
	Advocacy	Bowling	Social and Recreation	Special Olympics	Youth	Real Estate	Total Program	General and Administrative	Golf	Western Dance	Total Fundraising	2022 Total	2021 Total
OPERATING EXPENSES													
Employee Expenses	\$ 95,555	\$ 2,281	\$ 68,336	\$ 56,248	\$ 16,121	\$ 23,986	\$ 262,527	\$ 186,373	\$ 16,622	\$ 24,360	\$ 40,982	\$ 489,882	\$ 459,787
Depreciation	-	-	-	-	-	187,756	187,756	-	-	-	-	187,756	186,278
Facility Expenses	-	-	-	-	-	103,622	103,622	-	-	-	-	103,622	70,570
Insurance	3,326	79	2,378	1,958	561	47,863	56,165	8,748	-	-	-	64,913	54,737
Office Expenses	8,597	205	6,148	5,061	1,450	2,158	23,619	16,769	1,495	2,192	3,687	44,075	32,801
Activity Expenses	701	8,550	5,983	15,183	2,359	-	32,776	198	-	-	-	32,974	3,309
Rent Expense	10,695	-	-	-	-	-	10,695	13,072	-	-	-	23,767	24,000
Professional Fees	11,465	-	819	819	819	164	14,086	1,269	164	819	983	16,338	15,887
Other Expenses	-	-	-	-	-	-	-	8,129	-	-	-	8,129	17
Affiliation, Membership and Certificates	58	-	-	-	-	-	58	5,413	-	-	-	5,471	5,766
Advocacy in Action	925	-	-	-	-	-	925	4,278	-	-	-	5,203	903
Bank and Credit Card Charges	-	-	1	-	-	2	3	2,892	129	738	867	3,762	2,413
PR Contract Drivers	-	1,680	-	-	1,568	-	3,248	-	-	-	-	3,248	-
Postage and Delivery	1,205	-	104	104	42	21	1,476	124	89	389	478	2,078	2,959
Board Expenses	-	-	-	-	-	-	-	1,941	-	-	-	1,941	363
Community Outreach	1,700	-	-	-	-	-	1,700	205	-	-	-	1,905	376
Repairs and Maintenance - Auto	-	-	-	-	-	-	-	1,138	-	-	-	1,138	2,853
Printing and Reproduction	-	-	-	-	-	-	-	1,058	-	-	-	1,058	879
Advertising and Marketing	309	-	-	-	-	-	309	-	-	-	-	309	214
Meeting Meals and Supplies	-	-	-	-	-	-	-	201	-	69	69	270	35
Conferences	-	-	-	-	-	-	-	-	-	-	-	-	45
TOTAL OPERATING EXPENSES	\$ 134,536	\$ 12,795	\$ 83,769	\$ 79,373	\$ 22,920	\$ 365,572	\$ 698,965	\$ 251,808	\$ 18,499	\$ 28,567	\$ 47,066	\$ 997,839	\$ 864,192

See accompanying notes and independent accountant's review report.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
COMBINED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 412,682	\$ 628,978
Adjustments to Reconcile Net Change to Net Cash		
Provided by Operations:		
Depreciation	187,756	186,278
Gain on Property Sale	-	(65,867)
Net Unrealized/Realized Loss (Gain) on Investments	313,268	(260,891)
PPP Loan Forgiveness	-	(139,035)
Decrease (Increase) in Assets:		
Notes Receivable	7,567	(95,353)
Prepaid Expenses	(8,257)	(10,822)
Deposits	(10,000)	-
Other Receivables	198	-
Increase (Decrease) in Liabilities:		
Accounts Payable	1,043	(4,348)
Deposits Payable	1,200	(2,885)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>905,457</u>	<u>236,055</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Cash Purchases of Property and Equipment	(59,138)	(33,069)
Proceeds from Sale of Property and Equipment	-	109,363
(Purchase) Sale of Investments	(271,439)	260,412
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	<u>(330,577)</u>	<u>336,706</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Borrowings on PPP Loan	-	69,535
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>69,535</u>
NET INCREASE IN CASH FLOWS	574,880	642,296
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>2,336,735</u>	<u>1,694,439</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 2,911,615</u></u>	<u><u>\$ 2,336,735</u></u>

See accompanying notes and independent accountant's review report.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The combined financial statements of The Arc of Fort Bend County (The Arc) and Arc of Fort Bend County Foundation (the Foundation) (collectively, the Organization) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Organization and Nature of Activities

The Arc is a Texas 501(c)(3) not-for-profit enterprise incorporated on August 12, 1968 and organized for the purpose of ensuring opportunities for people with intellectual and developmental disabilities to maximize their quality of life within the community. It is an affiliate of The Arc of Texas (a State organization) and The Arc of the U.S. (a National organization). The Arc is supported primarily through donor contributions, grants, fundraising and program service income generated from leases.

Currently Vocational/Residential, Recreation, Advocacy, and Special Olympics are the major program areas offered by The Arc to residents of Fort Bend County. The Vocational/Residential program provides space to service providers for use in vocational training and rehabilitation at below market rates. This program also provides residences for individuals with intellectual and developmental disabilities. The Recreation and Special Olympics programs provide social and recreation activities. The Advocacy programs provide support for education and legislative activities that benefit people with intellectual and developmental disabilities and provide them with an opportunity to learn about self-representation.

The Foundation, a Texas 501(c)(3) not-for-profit organization, was incorporated on July 1, 2002 and was organized, and operates exclusively, for charitable and educational purposes.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets:

- Net Assets Without Donor Restrictions – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors (the Board) are reported as net assets without donor restrictions, board-designated.
- Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that are more restrictive than the Organization's mission and purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Basis of Combination

The accompanying combined financial statements include the activities of The Arc and the Foundation due to sharing common management, facilities, and goals. All significant intercompany accounts have been eliminated in combination.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of 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

For purposes of the combined statements of cash flows, the Organization considers all highly liquid savings and securities with a maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the combined statements of financial position. Dividends, interest, and unrealized/realized gains and losses are included in investment (loss) income - net in the combined statement of activities. Investment (loss) income totaled \$(291,921) and \$300,602 for the years ended December 31, 2022 and 2021, respectively. Investment (loss) income is reported net of fees of \$13,851 and \$14,223 for the years ended December 31, 2022 and 2021, respectively.

Property and Equipment

Purchased property and equipment are stated at cost. Major additions are charged to the asset accounts while replacements, maintenance, and repairs, which do not improve or extend the life of the respective assets, are expensed. Donated assets are recorded at estimated market value at the date of donation. The Arc capitalizes property and equipment with a cost of over \$2,500. Depreciation is computed using the straight-line method over the estimated useful lives of five to thirty years.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2022 and 2021 was \$309 and \$879, respectively.

Contributions and Grants

The Organization records contributions and grants in accordance with Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Contributions and grants are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets or funds. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the combined statement of activities as net assets released from restrictions.

Contributions of noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue - Exchange Transactions

The Organization recognizes revenue related to exchange transactions in accordance with ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The Organization receives revenues through various exchange transactions, including fundraising events and program activities offered for its participants. The amount of consideration received from these transactions is variable. Revenue from these transactions is recorded as an increase in net assets without donor restrictions to the extent that the earnings process is complete. Performance obligations are satisfied at a point in time when the event or program activity occurs. There were no receivables, contract assets, or contract liabilities related to these exchange transactions at December 31, 2022, December 31, 2021, or January 1, 2021. Disaggregation of revenue is presented on the face of the combined statement of activities.

Contributed Services

The Organization receives a substantial amount of services donated by volunteers in carrying out the Organization's purpose. The value of this contributed time is not reflected in the accompanying combined financial statements since it is not susceptible to objective measurement or valuation.

Functional Allocation of Expenses

The costs of providing the various program and general and administrative expenses have been summarized on a functional basis in the combined statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include employee expenses, which are allocated on the basis of estimates of time and effort, as well as insurance, office expenses, and other operating expenses, which are allocated on the basis of square footage or some other reasonable basis.

New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2021. A lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with lease terms of more than twelve months. Management has evaluated the new pronouncement and determined that implementation would not have a material impact to the Organization's financial statements. Therefore, it will not be implemented for fiscal year 2022.

Recently Adopted Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This pronouncement requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The pronouncement includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. The new pronouncement, as amended, is to be applied retrospectively, to annual reporting periods beginning after June 15, 2021, and interim periods within annual reporting periods beginning after June 15, 2022. The Organization adopted this new pronouncement effective January 1, 2022. The pronouncement did not have a material impact on the financial statements. The Organization has updated disclosures as necessary (see Note 12).

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Organization is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, as such, qualifies for the maximum charitable contribution deduction by donors. As of December 31, 2022, the tax years that remain subject to examination by taxing authorities begin with 2019. In addition, The Arc and the Foundation have been determined by the Internal Revenue Service not to be "private foundations" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income in 2022 and 2021.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Organization maintains cash and investment balances at various financial institutions and investment companies. The Federal Deposit Insurance Corporation insures the balances in the cash accounts up to \$250,000 per bank, while the Securities Investor Protection Corporation insures the balances in investment accounts up to \$500,000. Without consideration of reconciling items, at December 31, 2022 and 2021, the uninsured balances in the Organization's cash and investment accounts totaled \$2,304,581 and \$1,305,258, respectively.

NOTE 3 - NOTES RECEIVABLE

The sale of a townhome unit was finalized in August 2021. The unit was sold for \$111,000. The Arc received a payment of \$9,463 and entered into a financing agreement with the buyer for the remaining balance to be fully paid by 2031. The Arc recorded a gain of \$65,867 related to the sale. The receivable from the financing agreement with the buyer was assigned to the Foundation in the form of a donation. The receivable balance at December 31, 2022 and 2021 was \$95,255 and \$98,985, respectively.

The Foundation has a separate receivable from a financing agreement related to the sale of a different townhome in 2019. The balance from this financing agreement is to be fully paid by 2034. The receivable balance at December 31, 2022 and 2021 was \$61,084 and \$64,921, respectively.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Land	\$ 804,768	\$ 804,768
Buildings and Improvements	4,819,875	4,760,737
Office Furniture and Equipment	27,801	27,801
Automobiles	76,832	76,832
	<u>5,729,276</u>	<u>5,670,138</u>
Less Accumulated Depreciation	<u>(2,419,371)</u>	<u>(2,231,615)</u>
Total Property and Equipment - net	<u>\$ 3,309,905</u>	<u>\$ 3,438,523</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$187,756 and \$186,278, respectively.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

NOTE 5 - PREPAID EXPENSES

Prepaid expenses consist primarily of prepaid insurance for the subsequent year. The Organization had \$64,510 and \$56,253 in prepaid expenses at December 31, 2022 and 2021, respectively.

NOTE 6 - DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board has designated funds to be held as a financial reserve for future needs of the Organization. The designated net asset balance was \$93,242 and \$93,000 at December 31, 2022 and 2021, respectively.

NOTE 7 - PAYCHECK PROTECTION PROGRAM LOAN

During the years ended December 31, 2021 and 2020, the Organization received Paycheck Protection Program (PPP) loans of \$69,535 and \$69,500, respectively, from the Small Business Administration as part of the CARES Act to assist small businesses and non-profits affected by measures instituted in response to the COVID-19 pandemic. The amounts were expended according to the time and purpose restrictions defined by the PPP. The Organization applied and was approved for forgiveness of both PPP loans in 2021. Therefore, the loan forgiveness was recognized as revenue in the combined statement of activities for the year ended December 31, 2021.

NOTE 8 - REVENUE CONCENTRATIONS

The Organization held two fundraising events in Fort Bend County, Texas, which provided approximately 20% and 39% of its total operating revenue for the years ended December 31, 2022 and 2021, respectively.

Rental income represented 28% and 46% of total operating revenue for the years ended December 31, 2022 and 2021, respectively.

NOTE 9 - PROGRAM SERVICE INCOME

The Arc owns and leases group homes to service providers which are certified by the State of Texas to provide services to Fort Bend County, Texas. Leases range from \$1,100 to \$2,000 per month. All of the homes are utilized as housing for individuals with intellectual and developmental disabilities.

The Arc also owns and rents a townhome directly to individuals with intellectual and/or developmental disabilities or to individuals who offer light supervision to those tenants. The townhome was sold during 2021 (see Note 3).

The Arc leases its building on Industrial Blvd. to a service provider under a five-year operating lease that began in June 2016 for \$8,125 per month. The monthly rate increased to \$8,750 during 2021. The facility is used by the service provider to provide vocational training to individuals with intellectual and developmental disabilities.

The Arc leases its building on Cypress Point to a service provider under an operating lease that began in February 2014 for \$8,000 per month. During February 2022, the lease was renewed for another two years for \$8,000 per month. This facility is used by the service provider to provide vocational training to individuals with intellectual and developmental disabilities.

Rental income for the group homes and commercial buildings is considered program service income as it directly relates to the accomplishment of The Arc's mission. Rental income for the years ended December 31, 2022 and 2021 was \$468,825 and \$453,575, respectively.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

NOTE 10 - RELATED PARTY TRANSACTIONS

The Arc is an affiliate of The Arc of Texas (a State organization) and The Arc of the U.S. (a National organization). The Arc pays annual affiliation fees to the National Arc organization. The State and National organizations provide The Arc with advocacy, educational opportunities, membership and other supporting services. The Arc paid affiliation fees of \$5,471 and \$5,766 during 2022 and 2021, respectively.

The Arc had several promissory notes payable to the Foundation in the total amount of \$1,352,790 and \$1,415,730 at December 31, 2022 and 2021, respectively. The notes are secured by real property which The Arc leases to service providers who operate them as group homes for individuals with intellectual and developmental disabilities.

The notes payables consisted of the following at December 31:

	<u>2022</u>	<u>2021</u>
Note payable with monthly payments of \$681 including principal and interest through March 1, 2037, at which time a balloon payment is due. Interest is 5% per annum.	\$ 85,827	\$ 89,635
Note payable with monthly payments of \$407.98 including principal and interest through November 1, 2025, at which time a balloon payment is due. Interest is 5% per annum.	59,177	61,114
Note payable with monthly payments of \$709 including principal and interest through March 1, 2037, at which time a balloon payment is due. Interest is 5% per annum.	82,457	86,115
Note payable with monthly payments of \$3,353.61 including principal and interest through April 1, 2027, at which time a balloon payment is due. Interest is 5% per annum.	196,171	226,320
Note payable with monthly payments of \$807.92 including principal and interest through February 1, 2027, at which time a balloon payment is due. Interest is 5% per annum.	123,459	126,842
Note payable with monthly payments of \$853.07 including principal and interest through February 1, 2027, at which time a balloon payment is due. Interest is 5% per annum.	130,511	134,159
Note payable with monthly payments of \$740.81 including principal and interest through November 1, 2024, at which time a balloon payment is due. Interest is 5% per annum.	106,161	109,838
Note payable with monthly payments of \$1,395.74 including principal and interest through June 1, 2030, at which time a balloon payment is due. Interest is 5% per annum.	232,648	237,547

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

NOTE 10 - RELATED PARTY TRANSACTIONS (continued)

Note payable with monthly payments of \$832.07 including principal and interest through December 1, 2024, at which time a balloon payment is due. Interest is 5% per annum.	119,305	123,499
Note payable with monthly payments of \$1,211.71 including principal and interest through March 1, 2034, at which time a balloon payment is due. Interest is 5% per annum.	<u>217,074</u>	<u>220,661</u>
Total	<u>\$ 1,352,790</u>	<u>\$ 1,415,730</u>

These intercompany transactions are eliminated in the combined financial statements.

For the years ended December 31, 2022 and 2021, interest paid by The Arc to the Foundation was \$72,905 and \$-0-, respectively. Due to The Arc's reduced income caused by the ongoing COVID-19 pandemic during 2020, the Foundation's Board voted to suspend principal and interest payments on the properties financed through the Foundation from October 2020 to December 2021. Principal and interest payments resumed in January 2022.

NOTE 11 - FUNDRAISING INCOME

The Organization holds fundraising events each year. As discussed in Note 1, fundraising events are considered exchange transactions. For the years ended December 31, 2022 and 2021, \$16,130 and \$10,189 of total special events income was from exchange transactions and is included in special events income in the combined statement of activities. The amount in excess of this exchange portion is considered contribution income.

NOTE 12 - IN-KIND RENT

The Arc leases its office space from the City of Sugar Land. Under this lease agreement, The Arc agreed to undertake and pay for the repairs needed to bring the office building to minimum code compliance condition and standards. Additionally, The Arc will pay \$232.80 per year, which was calculated by deducting the repair estimate from the fair market value of the leased premises over the term of the lease. The total lease expense was approximately \$233 for the years ended December 31, 2022 and 2021. The value for donated rent is based upon estimates of fair market rental rates for the property. In-kind contributions of \$23,767 are reflected in the statement of activities and did not have donor restrictions for the years ended December 31, 2022 and 2021.

NOTE 13 - MANAGEMENT AGREEMENT

The Organization has a management agreement with a contractor for \$1,300 a month under which the contractor provides on-site management and repair and maintenance services for the Organization's rental properties. Contractor fees paid in 2022 and 2021 totaled \$15,600. The agreement renews automatically every year unless cancelled with a 60-day notice by either party.

NOTE 14 - RETIREMENT PLAN

The Organization has a 403(b)(7) tax-deferred retirement plan, which permits its employees to defer current compensation subject to certain annual limits established by the Internal Revenue Service. The Arc provides a discretionary contribution each calendar year to the plan. No contributions were made by the Organization during the years ended December 31, 2022 and 2021.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

NOTE 15 - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The following reflects the Organization's financial assets as of the combined statement of financial position date, reduced by amounts not available for general use because of internal designations that are amounts set aside for operating and other reserves that could be drawn upon if the Board approves that action.

	2022	2021
Cash and Cash Equivalents	\$ 2,911,615	\$ 2,336,735
Investments	2,046,220	2,088,049
Notes Receivable - current	7,896	7,567
Total Financial Assets	4,965,731	4,432,351
Board Designations	(93,242)	(93,000)
Donor Restrictions	(750,000)	-
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	\$ 4,122,489	\$ 4,339,351

The Organization's primary sources of cash flows during the year are rental income, contributions, grants, and special events income. These revenue sources provide a consistent inflow of cash throughout the year to cover normal operating expenses.

NOTE 16 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization adopted the provisions of ASC 820, "*Fair Value Measurements and Disclosures*" (formerly SFAS 157). ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, and establishes a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. The adoption of ASC 820 did not affect the Organization's financial position or results of operations.

The valuation techniques required by ASC 820 are based upon observable and unobservable inputs, and ASC 820 establishes a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets or liabilities and have the highest priority.
- Level 2 valuations are based on quoted prices in markets that are not active.
- Level 3 valuations are based on inputs that are unobservable and supported by little or no market activity.

The Organization's current assets and liabilities as presented in the combined statements of financial position are Level 1. The Organization has no Level 2 or Level 3 assets or liabilities. The carrying amounts reported in the combined statements of financial position approximate their fair values because of the short maturities of those instruments.

The Organization's financial instruments also include investments. The fair values of investments are based on quoted market prices for those or similar investments.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
NOTES TO COMBINED FINANCIAL STATEMENTS
December 31, 2022 and 2021**

NOTE 16 - FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following table represents assets measured at fair value on a recurring basis as reported in the statement of financial position at December 31, 2022 by level within the fair value measurement hierarchy:

	Total Fair Value Measurement	Level 1	Level 2	Level 3
Financial Assets:				
Cash and Money Market Funds	\$ 127,985	\$ 127,985	\$ -	\$ -
Fixed Income	302,800	302,800	-	-
Equities	1,615,435	1,615,435	-	-
Total	\$ 2,046,220	\$ 2,046,220	\$ -	\$ -

The following table represents assets measured at fair value on a recurring basis as reported in the statement of financial position at December 31, 2021 by level within the fair value measurement hierarchy:

	Total Fair Value Measurement	Level 1	Level 2	Level 3
Financial Assets:				
Cash and Money Market Funds	\$ 96,862	\$ 96,862	\$ -	\$ -
Fixed Income	276,123	276,123	-	-
Equities	1,480,044	1,480,044	-	-
Other Assets	235,020	235,020	-	-
Total	\$ 2,088,049	\$ 2,088,049	\$ -	\$ -

NOTE 17 - SUBSEQUENT EVENTS

In March 2023, the Organization purchased a new office building.

The Organization has evaluated subsequent events through July XX, 2023, which is the date the combined financial statements were available to be issued.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
COMBINING STATEMENT OF FINANCIAL POSITION**

**December 31, 2022
(with comparative totals for 2021)**

	<u>Agency</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>2022 Total</u>	<u>2021 Total</u>
ASSETS					
<u>CURRENT ASSETS</u>					
Cash and Cash Equivalents	\$ 1,309,670	\$ 1,601,945	\$ -	\$ 2,911,615	\$ 2,336,735
Notes Receivable - current	-	70,982	(65,752)	5,230	4,703
Prepaid Expenses	64,510	-	-	64,510	56,253
Other Receivables	-	2,666	-	2,666	2,864
Total Current Assets	<u>1,374,180</u>	<u>1,672,927</u>	<u>(65,752)</u>	<u>2,984,021</u>	<u>2,400,555</u>
<u>LONG-TERM ASSETS</u>					
Investments	-	2,046,220	-	2,046,220	2,088,049
Notes Receivable - long-term	-	1,438,147	(1,287,038)	151,109	159,203
Property and Equipment - net	3,309,905	-	-	3,309,905	3,438,523
Deposits	13,500	-	-	13,500	3,500
Total Long-Term Assets	<u>3,323,405</u>	<u>3,484,367</u>	<u>(1,287,038)</u>	<u>5,520,734</u>	<u>5,689,275</u>
TOTAL ASSETS	<u>\$ 4,697,585</u>	<u>\$ 5,157,294</u>	<u>\$ (1,352,790)</u>	<u>\$ 8,504,755</u>	<u>\$ 8,089,830</u>
<u>LIABILITIES AND NET ASSETS</u>					
<u>CURRENT LIABILITIES</u>					
Accounts Payable	\$ 1,859	\$ -	\$ -	\$ 1,859	\$ 816
Deposits Payable	20,840	-	-	20,840	19,640
Notes Payable - current	65,752	-	(65,752)	-	-
Total Current Liabilities	<u>88,451</u>	<u>-</u>	<u>(65,752)</u>	<u>22,699</u>	<u>20,456</u>
<u>LONG-TERM LIABILITIES</u>					
Notes Payable - long-term	1,287,038	-	(1,287,038)	-	-
Total Long-Term Liabilities	<u>1,287,038</u>	<u>-</u>	<u>(1,287,038)</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,375,489</u>	<u>-</u>	<u>(1,352,790)</u>	<u>22,699</u>	<u>20,456</u>
<u>NET ASSETS</u>					
Without Donor Restrictions:					
Undesignated	2,478,854	5,159,960	-	7,638,814	7,976,374
Board-Designated	93,242	-	-	93,242	93,000
Total Without Donor Restrictions	<u>2,572,096</u>	<u>5,159,960</u>	<u>-</u>	<u>7,732,056</u>	<u>8,069,374</u>
Without Donor Restrictions:					
Purpose-Restricted	750,000	-	-	750,000	-
Total With Donor Restrictions	<u>750,000</u>	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>-</u>
TOTAL NET ASSETS	<u>3,322,096</u>	<u>5,159,960</u>	<u>-</u>	<u>8,482,056</u>	<u>8,069,374</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,697,585</u>	<u>\$ 5,159,960</u>	<u>\$ (1,352,790)</u>	<u>\$ 8,504,755</u>	<u>\$ 8,089,830</u>

See independent accountant's review report.

**THE ARC OF FORT BEND COUNTY AND
ARC OF FORT BEND COUNTY FOUNDATION
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2022
(with comparative totals for 2021)**

DRAFT

	<u>Agency</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>2022 Total</u>	<u>2021 Total</u>
<u>OPERATING REVENUE AND SUPPORT</u>					
Contributions and Grants	\$ 828,805	\$ -	\$ -	\$ 828,805	\$ 101,943
Rental Income	468,825	-	-	468,825	453,575
Special Events - net of direct expenses of \$41,276 and \$11,405, respectively	333,861	-	-	333,861	389,572
In-Kind Rent	23,767	-	-	23,767	23,767
Interest Income	1,105	84,539	(72,905)	12,739	10,580
Program Service Fees	13,412	-	-	13,412	6,598
Other Income	1,100	-	-	1,100	1,631
TOTAL OPERATING REVENUE AND SUPPORT	1,670,875	84,539	(72,905)	1,682,509	885,723
<u>OPERATING EXPENSES</u>					
Program	771,870	-	(72,905)	698,965	613,951
General and Administrative	250,026	1,782	-	251,808	201,704
Fundraising	47,066	-	-	47,066	48,537
TOTAL OPERATING EXPENSES	1,068,962	1,782	(72,905)	997,839	864,192
CHANGE IN NET ASSETS BEFORE NON- OPERATING ACTIVITIES	601,913	82,757	-	684,670	21,531
<u>NON-OPERATING ACTIVITIES</u>					
Insurance Proceeds	19,933	-	-	19,933	-
PPP Loan Forgiveness	-	-	-	-	139,035
Gain on Sale of Property	-	-	-	-	65,867
Investment (Loss) Income - net	-	(291,921)	-	(291,921)	300,602
TOTAL NON-OPERATING ACTIVITIES	19,933	(291,921)	-	(271,988)	505,504
CHANGE IN NET ASSETS AFTER NON- OPERATING ACTIVITIES	621,846	(209,164)	-	412,682	527,035
NET ASSETS, Beginning of Year	2,700,250	5,369,124	-	8,069,374	7,440,396
NET ASSETS, End of Year	\$ 3,322,096	\$ 5,159,960	\$ -	\$ 8,482,056	\$ 7,967,431

See independent accountant's review report.

The Arc of Ft. Bend County

Balance Sheet - Accrual Basis - CY / PY - VARIANCE

As of August 31, 2023

	<u>Aug 31, 23</u>	<u>Aug 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
Cash				
Julie Rivers	361,161	0	361,161	100%
Facilities Repairs Account	34,403	93,069	-58,666	-63%
Credit Card Account	12,281	9,732	2,549	26%
Fundraising (WD)	5,127	17,669	-12,542	-71%
Money Market	370,836	261,383	109,453	42%
Operating Account	124,813	136,789	-11,976	-9%
Total Cash	<u>908,621</u>	<u>518,642</u>	<u>389,979</u>	<u>75%</u>
Total Checking/Savings	908,621	518,642	389,979	75%
Other Current Assets				
Prepaid Insurance				
Crime	263	250	13	5%
Cyber Liability	1,050	1,000	50	5%
General/Professional Liability	3,588	0	3,588	100%
Auto	8,421	6,553	1,868	29%
D&O	1,803	1,717	86	5%
Umbrella	3,482	2,567	915	36%
Professional Liability	1,242	1,242	0	0%
Property	48,039	35,564	12,475	35%
Worker's Comp	732	837	-105	-13%
Total Prepaid Insurance	<u>68,620</u>	<u>49,730</u>	<u>18,890</u>	<u>38%</u>
Total Other Current Assets	<u>68,620</u>	<u>49,730</u>	<u>18,890</u>	<u>38%</u>
Total Current Assets	977,241	568,372	408,869	72%
Fixed Assets				
Julie Rivers Property	1,607,681	0	1,607,681	100%
Net Assets Donor Restriction	-750,000	0	-750,000	-100%
Building-Commercial Property	1,195,872	1,195,872	0	0%
Improvements-Commercial Propert	921,307	912,294	9,013	1%
Building - Homes	2,220,853	2,220,853	0	0%
Improvements-Homes	414,944	364,819	50,125	14%
Land	804,768	804,768	0	0%
Leasehold Improvemnt.123 Brooks	66,899	66,899	0	0%
Office Equipment	5,324	5,324	0	0%
Furniture and Fixtures	6,720	6,720	0	0%
Computer Equipment	15,757	15,757	0	0%
Automotive	76,832	76,832	0	0%
Accumulated Depreciation	<u>-2,419,371</u>	<u>-2,231,615</u>	<u>-187,756</u>	<u>-8%</u>
Total Fixed Assets	4,167,586	3,438,523	729,063	21%
Other Assets				

The Arc of Ft. Bend County
Balance Sheet - Accrual Basis - CY / PY - VARIANCE
As of August 31, 2023

	Aug 31, 23	Aug 31, 22	\$ Change	% Change
Contribution to Foundation	0	218,726	-218,726	-100%
Escrow - Rychlik Job Services	2,500	2,500	0	0%
Earnest Money	1,000	1,000	0	0%
Total Other Assets	3,500	222,226	-218,726	-98%
TOTAL ASSETS	5,148,327	4,229,121	919,206	22%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable-ARC	-79	-79	0	0%
Total Accounts Payable	-79	-79	0	0%
Other Current Liabilities				
Retirement Plan Payable	595	1,920	-1,325	-69%
Taxes Payable-Fed W/H	43	0	43	100%
Taxes Payable-SUTA	18	18	0	0%
Total Other Current Liabilities	656	1,938	-1,282	-66%
Total Current Liabilities	577	1,859	-1,282	-69%
Long Term Liabilities				
N/P-ARC Fdn (Worley Dr)	214,582	218,290	-3,708	-2%
Security Deposits Payable	20,840	19,640	1,200	6%
N/P-ARC Fdn (6419 Brazos Glen)	83,051	87,181	-4,130	-5%
N/P-ARC Fdn (Chapman Falls)	58,089	59,934	-1,845	-3%
N/P-ARC Fdn (5141 Cotter Ln)	79,790	83,757	-3,967	-5%
N/P-ARC Fdn (2715 Cypress Impr)	179,250	207,960	-28,710	-14%
N/P-ARC Fdn (Manorfield)	121,561	124,782	-3,221	-3%
N/P-ARC Fdn (Rustic Trail)	128,463	131,937	-3,474	-3%
N/P-ARC Fdn (5618 Wagon Wheel)	104,097	107,599	-3,502	-3%
N/P-ARC Fdn (Whispering Creek)	229,244	234,308	-5,064	-2%
N/P-ARC Fdn(2607 WillowSprings)	116,952	120,945	-3,993	-3%
Total Long Term Liabilities	1,335,919	1,396,333	-60,414	-4%
Total Liabilities	1,336,496	1,398,192	-61,696	-4%
Equity				
Unrestricted Contra R&M Reserve	93,242	93,000	242	0%
Unrestricted Net Assets	2,469,641	2,813,576	-343,935	-12%
Net Income	1,248,949	-75,648	1,324,597	1,751%
Total Equity	3,811,832	2,830,928	980,904	35%
TOTAL LIABILITIES & EQUITY	5,148,328	4,229,120	919,208	22%

The Arc of Ft. Bend County
Profit & Loss by Class
August 2023

	G&A	Advocacy	Bowling	Social Rec	Special Olymp	Youth	Golf Classic	WD	Real Estate	TOTAL
Ordinary Income/Expense										
Income										
Youth Social	0.00	0.00	0.00	0.00	0.00	90.00	0.00	0.00	0.00	90.00
Donations & Contributions	0.00	1,839.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,839.19
Fundraising Event										
Auction / Bid Board Item	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	0.00	0.00	2,500.00
Raffle	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,550.00	0.00	4,550.00
Fundraising Event - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	742.90	0.00	742.90
Total Fundraising Event	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00	5,292.90	0.00	7,792.90
Grant - CDBG Fort Bend	0.00	0.00	0.00	3,244.58	0.00	0.00	0.00	0.00	0.00	3,244.58
Membership Revenue	838.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	838.10
Rental Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,970.03	25,970.03
Social Rec Fees	0.00	0.00	0.00	625.00	0.00	0.00	0.00	0.00	0.00	625.00
Total Income	838.10	1,839.19	0.00	3,869.58	0.00	90.00	2,500.00	5,292.90	25,970.03	40,399.80
Gross Profit	838.10	1,839.19	0.00	3,869.58	0.00	90.00	2,500.00	5,292.90	25,970.03	40,399.80
Expense										
JULIE RIVERS										
Purchase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,607,681.37	-1,607,681.37
R&M	190.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	190.00
Renovations										
Inspections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,295.00	1,295.00
Total Renovations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,295.00	1,295.00
Trash / Recycling Services	111.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	111.70
Utilities	823.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	823.38
Total JULIE RIVERS	1,125.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,606,386.37	-1,605,261.29
Casey Connection	0.00	62.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62.50
Auto / Vans - Repairs & Maint.	25.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.50
Accounting, Audit, Payroll	265.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	265.24
Advertising & Marketing	0.00	61.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61.83
Bank & CC Charges	175.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.50	183.21
Board Expenses	166.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	166.70
Community Outreach	0.00	315.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	315.00
Employee Expenses										

The Arc of Ft. Bend County
Profit & Loss by Class
August 2023

	G&A	Advocacy	Bowling	Social Rec	Special Olymp	Youth	Golf Classic	WD	Real Estate	TOTAL
Employee Salaries	7,793.88	7,561.52	179.82	5,431.18	4,711.32	1,271.98	1,381.26	2,096.53	1,901.26	32,328.75
Employee-FICA/Medicare	483.22	468.81	11.14	336.72	292.10	78.86	85.64	129.99	117.88	2,004.36
Employee-Health/Dental	7,934.49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,934.49
Employee-Medicare	113.01	109.64	2.60	78.76	68.31	18.44	20.01	30.40	27.57	468.74
Employee-SUTA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Employee Expenses	16,324.60	8,139.97	193.56	5,846.66	5,071.73	1,369.28	1,486.91	2,256.92	2,046.71	42,736.34
Event Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,344.09	0.00	2,344.09
Facilities Landscaping	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	350.00	350.00
Facilities Prop Mgmt Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,300.00	1,300.00
Facilities R&M / Improvements	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,686.36	6,686.36
Facilities Utilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	483.47	483.47
Interest Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,517.95	5,517.95
Office										
Website	31.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.16
Computer / Software	0.00	33.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.57
Copier Lease	454.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	454.32
Repairs & Maintenance	526.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	526.48
Supplies	234.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	234.80
Telephone / Internet	204.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	204.65
Utilities	865.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	865.13
Total Office	2,316.54	33.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,350.11
PROGRAMS										
PR Activity/Mtg-Food & Supplies	0.00	0.00	0.00	525.00	0.00	199.34	0.00	0.00	0.00	724.34
PR Athletic Banquet	0.00	0.00	-192.79	0.00	113.45	0.00	0.00	0.00	0.00	-79.34
PR Equipment, Shirts, Uniforms	0.00	0.00	0.00	0.00	297.00	0.00	0.00	0.00	0.00	297.00
PR Fuel	0.00	48.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.52
PR Parking & Tolls	0.00	12.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.99
PR Tickets / Venue Fees	0.00	0.00	0.00	1,623.00	0.00	0.00	0.00	0.00	0.00	1,623.00
PR - Twenty Somethings	0.00	0.00	0.00	48.50	0.00	0.00	0.00	0.00	0.00	48.50
Total PROGRAMS	0.00	61.51	-192.79	2,196.50	410.45	199.34	0.00	0.00	0.00	2,675.01
PR Contract Workers	0.00	0.00	0.00	0.00	0.00	120.00	0.00	0.00	0.00	120.00
Postage and Delivery	15.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15.50
Total Expense	20,414.87	8,674.38	0.77	8,043.16	5,482.18	1,688.62	1,486.91	4,601.01	-1,589,994.38	-1,539,602.48

The Arc of Ft. Bend County
Profit & Loss by Class
August 2023

	G&A	Advocacy	Bowling	Social Rec	Special Olymp	Youth	Golf Classic	WD	Real Estate	TOTAL
Net Ordinary Income	-19,576.77	-6,835.19	-0.77	-4,173.58	-5,482.18	-1,598.62	1,013.09	691.89	1,615,964.41	1,580,002.28
Other Income/Expense										
Other Income										
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	917.88	917.88
Investment Income	41.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41.58
Total Other Income	41.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	917.88	959.46
Other Expense										
Gain/Loss on Sale of Property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-80,128.86	-80,128.86
Total Other Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-80,128.86	-80,128.86
Net Other Income	41.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	81,046.74	81,088.32
Net Income	-19,535.19	-6,835.19	-0.77	-4,173.58	-5,482.18	-1,598.62	1,013.09	691.89	1,697,011.15	1,661,090.60

The Arc of Ft. Bend County
Profit & Loss Budget Performance
August 2023

	Aug 23	Jan - Aug 23	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Ordinary Income/Expense						
Income						
Grants - Julie Rivers	0.00	1,250,000.00				
Facilities Other Income	0.00	18,572.58				
Ride fee	0.00	140.00	140.00	0.00	100.0%	350.00
Youth Social	90.00	840.00	850.00	-10.00	98.82%	1,000.00
Riveredge Mortgage Payment	0.00	0.00	0.00	0.00	0.0%	1,036.00
Bowling - Lane Fee Income	0.00	4,739.00	2,650.00	2,089.00	178.83%	4,800.00
Donations & Contributions	1,839.19	38,448.20	14,640.00	23,808.20	262.62%	22,000.00
Donations - Designated	0.00	965.00	910.00	55.00	106.04%	1,500.00
Fundraising Event						
Auction / Bid Board Item	2,500.00	34,233.00				
Donation / Grant	0.00	35,950.00				
Raffle	4,550.00	4,550.00				
Sponsorship	0.00	11,750.00				
Tickets / Tables / Teams	0.00	9,300.00				
Fundraising Event - Other	742.90	57,422.07	120,000.00	-62,577.93	47.85%	407,000.00
Total Fundraising Event	7,792.90	153,205.07	120,000.00	33,205.07	127.67%	407,000.00
Grant - CDBG Fort Bend	3,244.58	28,704.20	26,710.00	1,994.20	107.47%	41,605.00
Grant - FBJSL	0.00	0.00	0.00	0.00	0.0%	15,000.00
Grants - Other	0.00	25,000.00	25,000.00	0.00	100.0%	45,000.00
Membership Revenue	838.10	8,061.48	4,000.00	4,061.48	201.54%	6,000.00
Rental Income	25,970.03	338,120.03	306,000.00	32,120.03	110.5%	459,000.00
Social Rec Fees	625.00	4,612.00	3,600.00	1,012.00	128.11%	5,400.00
Total Income	40,399.80	1,871,407.56	504,500.00	1,366,907.56	370.94%	1,009,691.00
Gross Profit	40,399.80	1,871,407.56	504,500.00	1,366,907.56	370.94%	1,009,691.00
Expense						
JULIE RIVERS						
Supplies	0.00	175.00				
Cleaning	0.00	3,250.00				
Earnest / Escrow	0.00	30,000.00				
Landscaping	0.00	4,552.52				

The Arc of Ft. Bend County
Profit & Loss Budget Performance
August 2023

	Aug 23	Jan - Aug 23	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Purchase	-1,607,681.37	0.00				
R&M	190.00	775.00				
Renovations						
Permits	0.00	1,035.00				
Inspections	1,295.00	3,298.27				
Total Renovations	1,295.00	4,333.27				
Trash / Recycling Services	111.70	558.50				
Utilities	823.38	3,433.99				
Total JULIE RIVERS	-1,605,261.29	47,078.28				
Printing and Reproduction	0.00	0.00	0.00	0.00	0.0%	500.00
Casey Connection	62.50	6,505.00	2,800.00	3,705.00	232.32%	4,000.00
Auto / Vans - Repairs & Maint.	25.50	2,504.82	1,800.00	704.82	139.16%	1,800.00
Advocacy in Action						
Information / Referral	0.00	233.54	600.00	-366.46	38.92%	1,100.00
Educational Advocacy	0.00	1,391.92	1,132.00	259.92	122.96%	1,372.00
Advocacy in Action - Other	0.00	394.28				
Total Advocacy in Action	0.00	2,019.74	1,732.00	287.74	116.61%	2,472.00
Reconciliation Discrepancies	0.00	0.57				
Accounting, Audit, Payroll	265.24	7,286.21	12,754.00	-5,467.79	57.13%	16,131.00
Advertising & Marketing	61.83	395.51	360.00	35.51	109.86%	550.00
Affiliation/Asso/Mbrship/Certs	0.00	5,949.06	3,353.00	2,596.06	177.43%	3,353.00
Bank & CC Charges	183.21	1,405.39	2,000.00	-594.61	70.27%	6,000.00
Board Expenses	166.70	1,055.05	4,552.64	-3,497.59	23.17%	6,829.00
Community Outreach	315.00	3,139.95	2,800.00	339.95	112.14%	3,000.00
Conferences	0.00	51.69	75.00	-23.31	68.92%	400.00
Continuing Education/Staff Dev	0.00	75.00	0.00	75.00	100.0%	100.00
Donations / Contributions	0.00	200.00				
Employee Expenses						
Employee Salaries	32,328.75	256,338.73	253,338.00	3,000.73	101.18%	380,007.00
Employee-FICA/Medicare	2,004.36	15,829.19	19,380.64	-3,551.45	81.68%	29,071.00
Employee-Health/Dental	7,934.49	63,475.92	59,202.64	4,273.28	107.22%	88,804.00
Employee-Medicare	468.74	3,715.96				
Employee-Retirement Plan	0.00	7,305.19	0.00	7,305.19	100.0%	7,600.00

The Arc of Ft. Bend County
Profit & Loss Budget Performance
August 2023

	Aug 23	Jan - Aug 23	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
Employee-SUTA	0.00	167.41	4,644.00	-4,476.59	3.61%	4,644.00
Mileage Reimbursement	0.00	0.00	0.00	0.00	0.0%	800.00
Total Employee Expenses	42,736.34	346,832.40	336,565.28	10,267.12	103.05%	510,926.00
Event Expenses	2,344.09	39,789.41	16,800.00	22,989.41	236.84%	49,055.00
Facilities HOA Fees	0.00	10,268.70	9,850.00	418.70	104.25%	9,850.00
Facilities Landscaping	350.00	600.00				
Facilities Prop Mgmt Fees	1,300.00	10,400.00	10,400.00	0.00	100.0%	15,600.00
Facilities R&M / Improvements	6,686.36	123,260.88	50,330.00	72,930.88	244.91%	75,500.00
Facilities Utilities	483.47	620.26				
Insurance						
General/Professional Liability	0.00	0.00	0.00	0.00	0.0%	7,261.00
Crime	0.00	0.00	0.00	0.00	0.0%	300.00
Workers Comp	0.00	0.00	0.00	0.00	0.0%	1,437.00
Property	0.00	0.00	0.00	0.00	0.0%	47,863.00
Cyber Liability	0.00	0.00	0.00	0.00	0.0%	1,200.00
Auto	0.00	0.00	0.00	0.00	0.0%	9,624.00
D&O	0.00	0.00	0.00	0.00	0.0%	2,061.00
Umbrella	0.00	0.00	0.00	0.00	0.0%	3,979.00
Total Insurance	0.00	0.00	0.00	0.00	0.0%	73,725.00
Interest Expense	5,517.95	41,659.64	44,770.20	-3,110.56	93.05%	65,142.06
Meals & Supplies / Meetings	0.00	120.92	100.00	20.92	120.92%	250.00
Office						
Lease 119 & 123	0.00	465.60	233.00	232.60	199.83%	233.00
Website	31.16	370.37	400.00	-29.63	92.59%	1,000.00
Computer / Software	33.57	559.70	300.00	259.70	186.57%	3,000.00
Copier Lease	454.32	3,739.09	3,701.28	37.81	101.02%	5,552.00
Repairs & Maintenance	526.48	6,173.52	3,620.00	2,553.52	170.54%	5,430.00
Supplies	234.80	1,658.09	1,728.00	-69.91	95.95%	2,600.00
Telephone / Internet	204.65	2,986.10	2,848.64	137.46	104.83%	4,273.00
Utilities	865.13	3,660.31	3,360.00	300.31	108.94%	5,040.00
Total Office	2,350.11	19,612.78	16,190.92	3,421.86	121.13%	27,128.00
PROGRAMS						
PR Youth Respite	0.00	1,142.28	1,030.00	112.28	110.9%	2,600.00

The Arc of Ft. Bend County
Profit & Loss Budget Performance
August 2023

	Aug 23	Jan - Aug 23	YTD Budget	\$ Over Budget	% of Budget	Annual Budget
PR Activity/Mtg-Food & Supplies	724.34	6,220.13	7,030.00	-809.87	88.48%	14,800.00
PR Athletic Banquet	-79.34	3,602.18	5,200.00	-1,597.82	69.27%	5,200.00
PR Bowling Lane Fees	0.00	11,337.50	6,400.00	4,937.50	177.15%	11,550.00
PR DJ	0.00	750.00	1,800.00	-1,050.00	41.67%	3,600.00
PR Equipment, Shirts, Uniforms	297.00	318.63	225.00	93.63	141.61%	3,300.00
PR Fuel	48.52	353.73	340.00	13.73	104.04%	2,420.00
PR Game / Registration Fees	0.00	425.00	425.00	0.00	100.0%	2,300.00
PR Hotel	0.00	0.00	0.00	0.00	0.0%	27,000.00
PR Other Expenses / Gifts	0.00	162.11	0.00	162.11	100.0%	700.00
PR Parking & Tolls	12.99	82.64	170.00	-87.36	48.61%	620.00
PR Practice Facil. / Lifeguards	0.00	597.71	600.00	-2.29	99.62%	6,000.00
PR Scholarships	0.00	2,000.00				
PR Tickets / Venue Fees	1,623.00	5,885.64	12,000.00	-6,114.36	49.05%	18,000.00
PR Training & Background checks	0.00	53.71	280.00	-226.29	19.18%	420.00
PR Transportation	0.00	1,732.96	2,650.00	-917.04	65.4%	7,050.00
PR - Twenty Somethings	48.50	326.31	100.00	226.31	326.31%	2,400.00
Total PROGRAMS	2,675.01	34,990.53	38,250.00	-3,259.47	91.48%	107,960.00
PR Contract Workers	120.00	3,276.00	4,404.00	-1,128.00	74.39%	8,360.00
Postage and Delivery	15.50	997.76	1,600.00	-602.24	62.36%	2,500.00
Professional Fees - Legal	0.00	0.00	0.00	0.00	0.0%	50.00
Professional Fees - Other	0.00	1,237.50				
Total Expense	-1,539,602.48	711,333.05	561,487.04	149,846.01	126.69%	991,181.06
Net Ordinary Income	1,580,002.28	1,160,074.51	-56,987.04	1,217,061.55	-2,035.68%	18,509.94
Other Income/Expense						
Other Income						
Interest Income	917.88	8,422.21				
Investment Income	41.58	329.98				
Total Other Income	959.46	8,752.19				
Other Expense						
Gain/Loss on Sale of Property	-80,128.86	-80,128.86				
Other Expenses	0.00	7.00				
Total Other Expense	-80,128.86	-80,121.86				
Net Other Income	81,088.32	88,874.05				
Net Income	1,661,090.60	1,248,948.56	-56,987.04	1,305,935.60	-2,191.64%	18,509.94

The Arc of Ft. Bend County
Transaction Detail By Account
November 2022 through August 2023

Type	Date	Memo	Amount	Balance
Grants - Julie Rivers				
Deposit	12/16/2022	Grant from Swinbank Family for purchase of Julie Rivers	500,000.00	500,000.00
Deposit	12/16/2022	Grant from Harrison Group for purchase of Julie Rivers	250,000.00	750,000.00
Deposit	02/14/2023	Grant from The George Foundation for purchase of Julie Rivers	500,000.00	1,250,000.00
Deposit	02/17/2023	Grant from Henderson-Wessendorff Foundation for purchase of Julie Rivers	500,000.00	1,750,000.00
Deposit	02/28/2023	Grant from Harrison Group for purchase of Julie Rivers	250,000.00	2,000,000.00
Total Grants - Julie Rivers			2,000,000.00	2,000,000.00
JULIE RIVERS				
Earnest / Escrow				
Check	11/16/2022	Earnest money	-10,000.00	-10,000.00
Check	02/13/2023	Additional Earnest money	-30,000.00	-40,000.00
Total Earnest / Escrow			-40,000.00	-40,000.00
Purchase				
Check	03/01/2023	Purchase of 407 Julie Rivers	-1,607,681.37	-1,607,681.37
Total Purchase			-1,607,681.37	-1,607,681.37
Renovations Inspections				
Bill	03/29/2023	Property inspection prior to purchase	-1,800.00	-1,800.00
Bill	04/20/2023	City of Sugar Land / Certificate of Occupancy	-39.75	-1,839.75
Bill	08/01/2023	Pre-renovation Asbestos Survey	-1,295.00	-3,134.75
Total Inspections			-3,134.75	-3,134.75
Total Renovations			-3,134.75	-3,134.75
Total JULIE RIVERS			-1,650,816.12	-1,650,816.12
Bank & CC Charges				
Check	02/13/2023	Outgoing wire fee - Additional earnest money	-20.00	-20.00
Check	02/28/2023	Incoming wire fee - Grant from Harrison Group	-7.50	-27.50
Check	03/01/2023	Outgoing wire fee - Purchase of Julie Rivers	-20.00	-47.50
Total Bank & CC Charges			-47.50	-47.50
Interest Income				
Deposit	12/31/2022	Interest	628.76	628.76
Deposit	01/31/2023	Interest	1,275.04	1,903.80
Deposit	02/28/2023	Interest	1,925.77	3,829.57
Deposit	03/31/2023	Interest	630.67	4,460.24
Deposit	04/30/2023	Interest	806.31	5,266.55
Deposit	05/31/2023	Interest	906.09	6,172.64
Deposit	06/30/2023	Interest	883.83	7,056.47
Deposit	07/31/2023	Interest	915.55	7,972.02
Deposit	08/31/2023	Interest	917.88	8,889.90

The Arc of Ft. Bend County
Transaction Detail By Account
November 2022 through August 2023

Type	Date	Memo	Amount	Balance
Total Interest Income			8,889.90	8,889.90
TOTAL			358,026.28	358,026.28

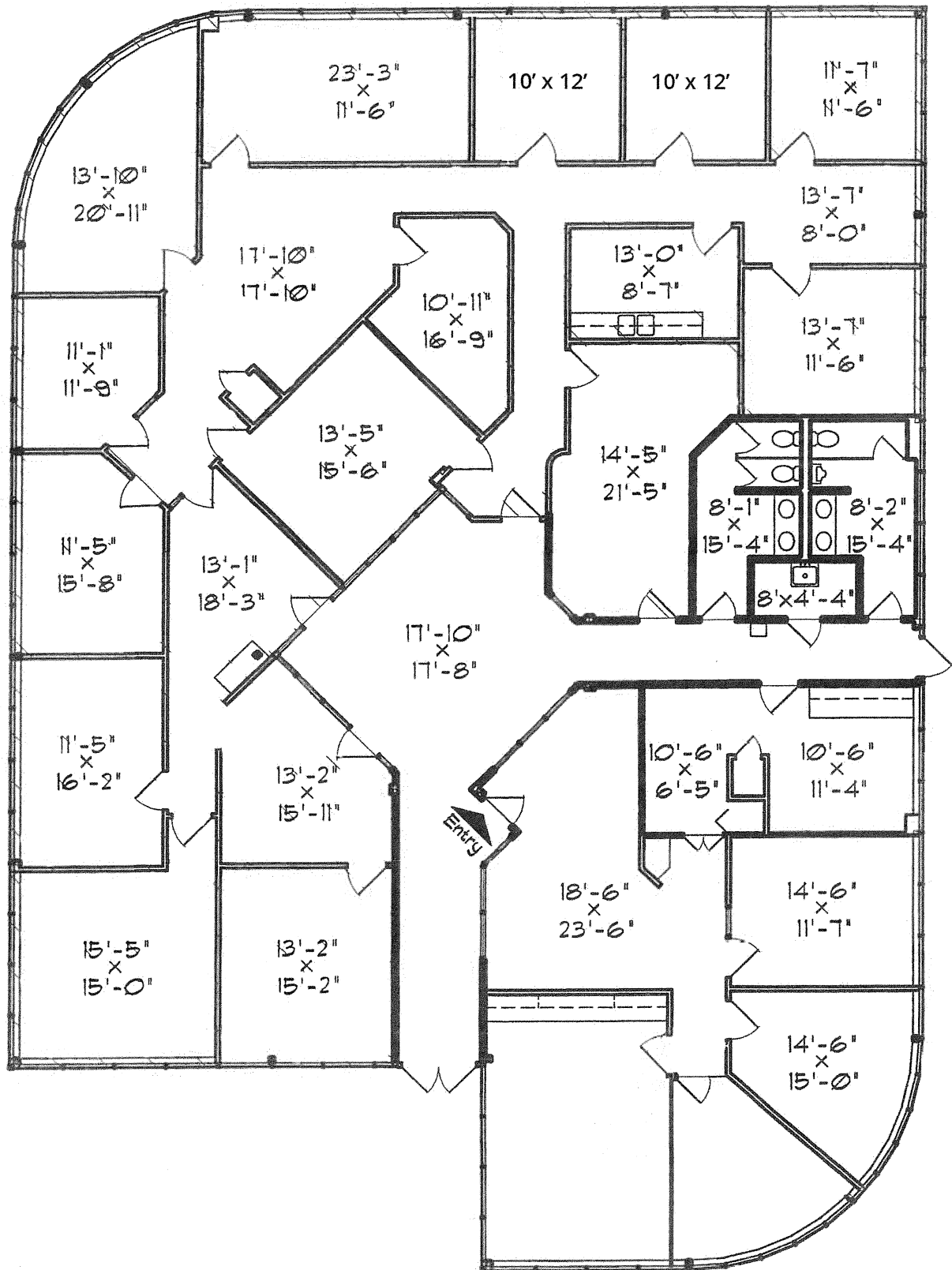
The Arc of Ft. Bend County
Transaction Detail By Account
January through August 2023

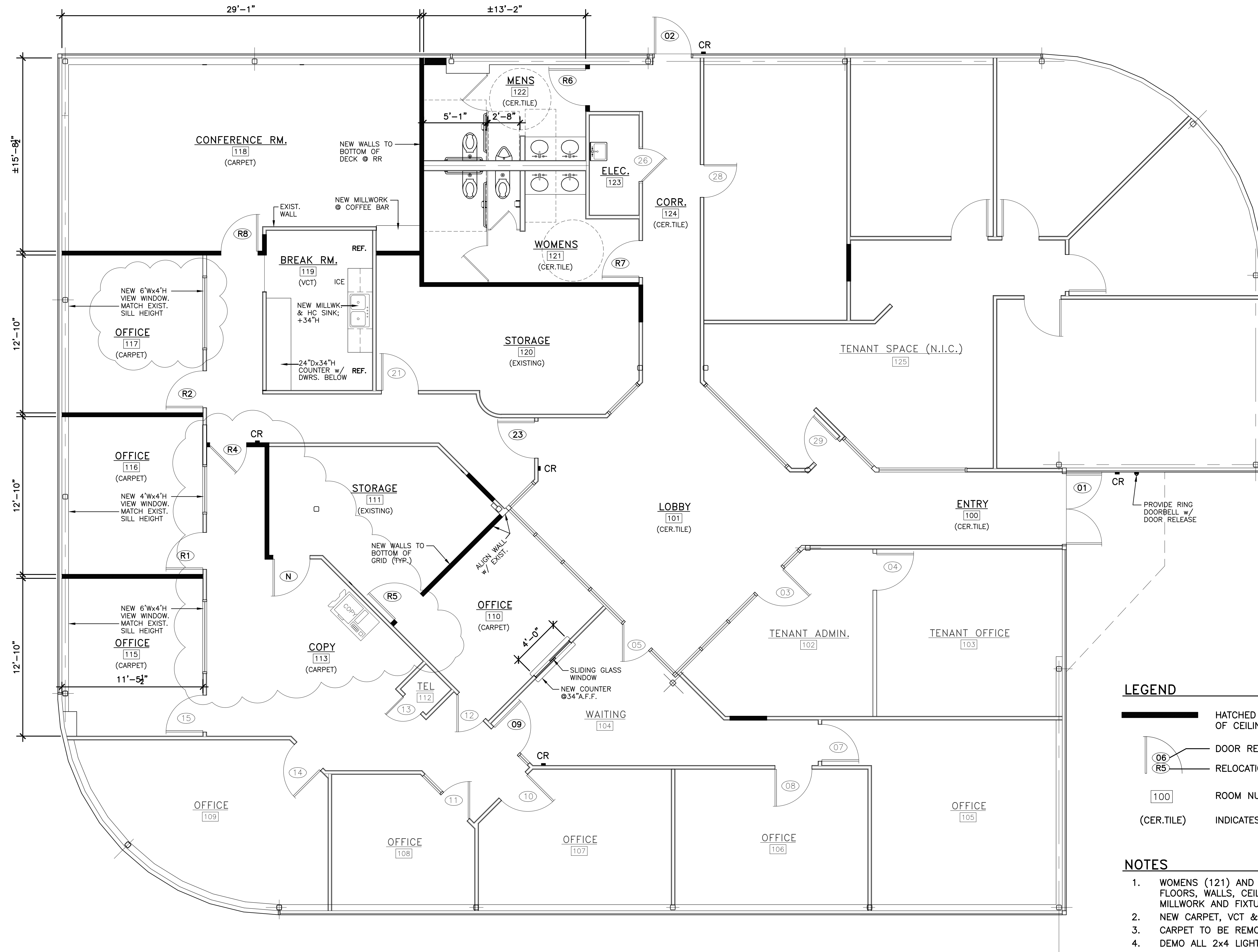
Type	Date	Num	Name	Memo	Amount	Balance
Rental Income						
Deposit	03/02/2023		FACILITIES - Julie Rivers:Office	Dan Roth - March rent	500.00	500.00
Deposit	03/02/2023		FACILITIES - Julie Rivers:Office	Texas Builders Finance - March rent	1,500.00	2,000.00
Deposit	03/10/2023	797523764	FACILITIES - Julie Rivers:Office	Hampson Properties - March rent	1,000.00	3,000.00
Deposit	04/03/2023	800055441	FACILITIES - Julie Rivers:Office	Hampson Properties - April rent	1,000.00	4,000.00
Deposit	04/06/2023	44376395	FACILITIES - Julie Rivers:Office	Pat Bullard - April rent	300.00	4,300.00
Deposit	04/13/2023		FACILITIES - Julie Rivers:Office	Dan Roth - April rent	500.00	4,800.00
Deposit	04/13/2023		FACILITIES - Julie Rivers:Office	Texas Builders Finance - April rent	1,500.00	6,300.00
Deposit	05/01/2023		FACILITIES - Julie Rivers:Office	Dan Roth - May rent	500.00	6,800.00
Deposit	05/01/2023		FACILITIES - Julie Rivers:Office	Texas Builders - May rent (5/9)	1,500.00	8,300.00
Deposit	05/15/2023		FACILITIES - Julie Rivers:Office	Hampson Prosperties - May rent	1,000.00	9,300.00
Deposit	06/01/2023		FACILITIES - Julie Rivers:Office	Dan Roth - June rent	500.00	9,800.00
Deposit	06/01/2023		FACILITIES - Julie Rivers:Office	Texas Builders Finance - June rent 6/12	1,500.00	11,300.00
Deposit	06/06/2023	806763967	FACILITIES - Julie Rivers:Office	Hampson Properties - June rent	1,000.00	12,300.00
Deposit	07/03/2023	810354275	FACILITIES - Julie Rivers:Office	Hampson Properties - July rent	1,000.00	13,300.00
Deposit	07/03/2023		FACILITIES - Julie Rivers:Office	Dan Roth - July rent	500.00	13,800.00
Deposit	07/03/2023		FACILITIES - Julie Rivers:Office	Texas Builders Finance - July rent 7/11	1,500.00	15,300.00
Deposit	07/31/2023	813892762	FACILITIES - Julie Rivers:Office	Hampson Properties - August rent	1,000.00	16,300.00
Deposit	08/01/2023		FACILITIES - Julie Rivers:Office	Dan Roth - August rent	500.00	16,800.00
Deposit	08/01/2023		FACILITIES - Julie Rivers:Office	Texas Builders Finance - August rent 8/3	1,500.00	18,300.00
Total Rental Income					18,300.00	18,300.00
JULIE RIVERS						
Cleaning						
Bill	04/03/2023	89584	FACILITIES - Julie Rivers:Office	March Janitorial Service	-650.00	-650.00
Bill	04/21/2023	89673	FACILITIES - Julie Rivers:Office	April Janitorial Service	-650.00	-1,300.00
Bill	04/28/2023	90077	FACILITIES - Julie Rivers:Office	May Janitorial Service	-650.00	-1,950.00
Bill	06/06/2023		FACILITIES - Julie Rivers:Office	June Janitorial Service	-650.00	-2,600.00
Bill	07/03/2023		FACILITIES - Julie Rivers:Office	July Janitorial Service	-650.00	-3,250.00
Total Cleaning					-3,250.00	-3,250.00
Landscaping						
Bill	03/29/2023		FACILITIES - Julie Rivers:Office	Annual Lawn Maintenance (prorated) - 407 Julie Rivers Drive	-625.00	-625.00
Bill	04/14/2023		FACILITIES - Julie Rivers:Office	3/25/23 by Tony Vaccaro	-50.00	-675.00
Bill	06/02/2023	9903	FACILITIES - Julie Rivers:Office	Repairs to sprinkler system	-791.00	-1,466.00
Bill	06/20/2023	4798 5100 4...	FACILITIES - Julie Rivers:Office	Plantation Irrigation - Sprinkler system	-86.52	-1,552.52
Total Landscaping					-1,552.52	-1,552.52
R&M						
Bill	06/08/2023		FACILITIES - Julie Rivers:Office	Pest Control	-190.00	-190.00
Bill	07/18/2023	68239	FACILITIES - Julie Rivers:Office	Resealed metal pan & opened lines at electrical conduit	-395.00	-585.00
Bill	08/10/2023		FACILITIES - Julie Rivers:Office	Pest Control	-190.00	-775.00
Total R&M					-775.00	-775.00
Renovations Inspections						

The Arc of Ft. Bend County
Transaction Detail By Account
January through August 2023

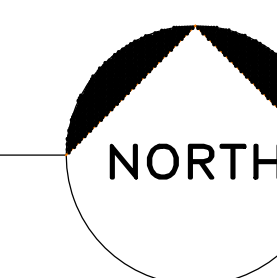
Type	Date	Num	Name	Memo	Amount	Balance
Bill	04/20/2023	4798 5100 4...	FACILITIES - Julie Rivers:Office	Fire extinguisher	-150.99	-150.99
Bill	04/20/2023	4798 5100 4...	FACILITIES - Julie Rivers:Office	Electric sign	-12.53	-163.52
Total Inspections					-163.52	-163.52
Total Renovations					-163.52	-163.52
Trash / Recycling Services						
Bill	05/08/2023	3-0853-015...	FACILITIES - Julie Rivers:Office	4/1 - 5/31 Waste & Recycling service	-223.40	-223.40
Bill	06/06/2023	0853-00733...	FACILITIES - Julie Rivers:Office	6/1 - 6/30 Waste & Recycling service	-111.70	-335.10
Bill	07/03/2023	0853-00737...	FACILITIES - Julie Rivers:Office	7/1-7/31 Waste & Recycling service	-111.70	-446.80
Bill	08/01/2023	0853-00741...	FACILITIES - Julie Rivers:Office	8/1-8/31 Waste & Recycling service	-111.70	-558.50
Total Trash / Recycling Services					-558.50	-558.50
Utilities						
Bill	03/29/2023	746122	FACILITIES - Julie Rivers:Office	Electric 3/1/2023 - 3/14/2023	-24.68	-24.68
Bill	04/14/2023	219-502	FACILITIES - Julie Rivers:Office	Water - 407 Julie Rivers Dr.	-182.96	-207.64
Bill	04/28/2023	746122	FACILITIES - Julie Rivers:Office	Electric 3/14/2023 - 4/13/2023	-640.39	-848.03
Bill	05/10/2023		FACILITIES - Julie Rivers:Office	Reimbursement for portion of Champion Energy bill	-483.16	-1,331.19
Bill	05/17/2023	219-502	FACILITIES - Julie Rivers:Office	Water - 407 Julie Rivers Dr.	-187.85	-1,519.04
Bill	06/05/2023		FACILITIES - Julie Rivers:Office	Electric 4/14/2023 - 5/12/2023	-485.14	-2,004.18
Bill	06/21/2023	219 502	FACILITIES - Julie Rivers:Office	Water - 407 Julie Rivers Dr.	-196.80	-2,200.98
Bill	07/03/2023	746122	FACILITIES - Julie Rivers:Office	Electric 5/12/2023 - 6/13/2023	-606.43	-2,807.41
Bill	08/07/2023		FACILITIES - Julie Rivers:Office	Electric 6/12/2023 - 7/13/2023	-823.38	-3,630.79
Total Utilities					-3,630.79	-3,630.79
JULIE RIVERS - Other						
Bill	07/20/2023		FACILITIES - Julie Rivers:Office	ADA Permit	-1,035.00	-1,035.00
Total JULIE RIVERS - Other					-1,035.00	-1,035.00
Total JULIE RIVERS					-10,965.33	-10,965.33
TOTAL					7,334.67	7,334.67

Floor Plan





REVISED FLOOR PLAN
1/4" = 1'-0"



Interior Renovations for
The Arc of Fort Bend County
407 Julie Rivers Drive

7.12.23

CRAIN GROUP
3801 KNAPP ROAD • 713-436-8727 • PEARLAND, TEXAS 77581

PROJECT	CG-2301
DRAWN	JCPM
DATE	07/12/23
REVISION	08/29/23
DESCRIPTION REVISED FLOOR PLAN AND LEGEND	
SHEET	A3



Real Estate Committee
ZOOM MEETING MINUTES
August 2, 2023

Present: T. Zafar, Chair; K. Casey; R. Cushenberry; J. Gortney; L. Lobue; H. Marshall; J. Patterson

Absent: M. Casey

Staff: L. LaVigne

1. Rustic Trail Home: In April, committee recommended accommodating the tenant's request to extend the due date of her May lease payment. Committee agreed to waive the late payments for May, June and July – but required that the lease payment be made within the month due. If tenant complied, she would be offered a one or two-year lease. Tenant has complied and committee agreed to move forward with a lease. Terms of the lease are one-year with an increase from \$2000 - \$2100 per month. No Action Item.
2. Brazos Glen Home: H. Marshall secured a buyer for an "as-is" sales contract. Terms: Sales price of \$165,000 - all cash with no financing contingency; \$2,000 earnest money deposit and \$250.00 option fee with 7-day termination; close on or before 8/31/23. Request to limit The Arc's closing costs to a cap of \$1,000.00; which will net The Arc \$164,000 on the sale.
Committee agreed to accept the contract and authorize the CEO to deliver executed contract.
Action Item: Committee requests the board ratify the "as-is" sale of Brazos Glen for \$165,000.
3. Julie Rivers Building: L. LaVigne shared a letter with the Real Estate Committee she received from Brad Crain, President of Crain Group, "clarifying the structure of the Agreement by and between Crain Group and The Arc of Fort Bend". The letter clarifies that both parties agree the project will be treated as "Cost Plus". With this clarification, the committee members agreed to immediately share the letter with the board so that progress can continue on the building improvements. Further, H. Marshall recommended we form an ad-hoc committee consisting of K. Casey, L. Lobue and J. Patterson to oversee and inspect the construction progress, scope and incurred costs and sign-off on any invoices submitted to The Arc for payment. T. Zafar, H. Marshall and L. LaVigne will be kept informed of the progress and expense.
Action Item: Committee recommends the board ratify the previously signed AIA contract and Estimate from Crain Group with the Agreement Clarification attached.

Next Meeting: September 6, 2023

AIA[®] Document A105[®] – 2017

Standard Short Form of Agreement Between Owner and Contractor

AGREEMENT made as of the Fifth day of July in the year Two Thousand Twenty-Three
(In words, indicate day, month, and year.)

BETWEEN the Owner:

(Name, legal status, address and other information)

The Arc of Fort Bend County
123 Brooks Street
Sugar Land, Texas 77478
281.494.5959

and the Contractor:

(Name, legal status, address and other information)

Crain Group, LLC
3801 Knapp Road
Pearland, Texas 77581
713.436.8727

for the following Project:

(Name, location and detailed description)

The Arc of Fort Bend County
407 Julie Rivers Drive
Sugar Land, Texas
281.494.5959

The Architect:

(Name, legal status, address and other information)

James Knight, Architect
9503 Shaded Tree Drive
Missouri City, Texas
281.731.2115

The Owner and Contractor agree as follows.

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

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TABLE OF ARTICLES

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2	DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
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4	PAYMENTS
5	INSURANCE
6	GENERAL PROVISIONS
7	OWNER
8	CONTRACTOR
9	ARCHITECT
10	CHANGES IN THE WORK
11	TIME
12	PAYMENTS AND COMPLETION
13	PROTECTION OF PERSONS AND PROPERTY
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15	MISCELLANEOUS PROVISIONS
16	TERMINATION OF THE CONTRACT
17	OTHER TERMS AND CONDITIONS

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contractor shall complete the Work described in the Contract Documents for the Project. The Contract Documents consist of

- .1 this Agreement signed by the Owner and Contractor.
- .2 the drawings and specifications prepared by the Architect, dated July 12, 2023, and enumerated as follows:

Drawings:

Number	Title	Date
Cover	Cover Sheet	07/12/2023
A1	Existing Building Plan	07/12/2023
A2	Demolition Plan	07/12/2023
A3	Revised Floor Plan	07/12/2023
E1	Revised Electrical Plan	07/12/2023

Specifications:

Not Applicable

- .3 addenda prepared by the Architect as follows:

Not Applicable

- .4 written orders for changes in the Work, pursuant to Article 10, issued after execution of this Agreement; and
- .5 other documents, if any, identified as follows:

Not Applicable»

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ 2.1 The Contract Time is the number of calendar days available to the Contractor to substantially complete the Work.

§ 2.2 Date of Commencement:

Unless otherwise set forth below, the date of commencement shall be the date of this Agreement.

(Insert the date of commencement if other than the date of this Agreement.)

One Week from Notice to Proceed

§ 2.3 Substantial Completion:

Subject to adjustments of the Contract Time as provided in the Contract Documents, the Contractor shall achieve Substantial Completion, as defined in Section 12.5, of the entire Work:

(Check the appropriate box and complete the necessary information.)

☒ Not later than Thirty One (31) calendar days from the date of commencement.

☐ By the following date:

ARTICLE 3 CONTRACT SUM

§ 3.1 The Contract Sum shall include all items and services necessary for the proper execution and completion of the Work. Subject to additions and deductions in accordance with Article 10, the Contract Sum is:

Two Hundred Twenty-Three Thousand Nine Hundred Forty Dollars and Sixty-Eight Cents (\$223,940.88)

§ 3.2 For purposes of payment, the Contract Sum includes the following values related to portions of the Work:
(Itemize the Contract Sum among the major portions of the Work.)

Not Applicable

§ 3.3 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and hereby accepted by the Owner:

(Identify the accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

- ALT 01 Replace all lighting - standard 2x4 LED
Replace all ACT Ceiling Tile w/ 2x2 Armstrong Cortega 770 (Exist
- ALT 02 Grid to Remain)
- ALT 04 Replace existing upper/lower millwork at kitchen
Solargard armorcoat 8mil film at approximately 18lf of storefront at
- ALT 06 office (10'ht)

§ 3.4 Allowances, if any, included in the Contract Sum are as follows:

(Identify each allowance.)

Acoustical Ceilings, Carpet, Floor Prep, Access
Control

§ 3.5 Unit prices, if any, are as follows:

(Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Not Applicable

ARTICLE 4 PAYMENTS

§ 4.1 Based on Contractor's Applications for Payment certified by the Architect, the Owner shall pay the Contractor, in accordance with Article 12, as follows:

(Insert below timing for payments and provisions for withholding retainage, if any.)

The Owner shall make payment of the certified amount to the contractor no later than the 15th of the following month in which the Application for Payment was received.

§ 4.2 Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate below, or in the absence thereof, at the legal rate prevailing at the place of the Project.

(Insert rate of interest agreed upon, if any.)

Twelve % 12

ARTICLE 5 INSURANCE

§ 5.1 The Contractor shall provide Contractor's general liability insurance.

§ 5.2 The Owner shall provide property insurance to cover the value of the Owner's property, including any Work provided under this agreement. The Contractor is entitled to receive an increase in the Contract Sum equal to the insurance proceeds related to a loss for damage to the Work covered by the Owner's property insurance.

§ 5.3 The Contractor shall obtain an endorsement to its General Liability insurance policy to cover the Contractor's obligations under Section 8.12.

§ 5.4 Each party shall provide certificates of insurance showing their respective coverages prior to commencement of the Work.

§ 5.5 Unless specifically precluded by the Owner's property insurance policy, the Owner and Contractor waive all rights against (1) each other and any of their subcontractors, suppliers, agents, and employees, each of the other; and (2) for damages caused by fire or other causes of loss to the extent those losses are covered by property insurance or other insurance applicable to the Work.

ARTICLE 6 GENERAL PROVISIONS

§ 6.1 The Contract

The Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a written modification in accordance with Article 10.

§ 6.2 The Work

The term "Work" means the construction and services required by the Contract Documents, and includes all other labor, materials, equipment, and services provided, or to be provided, by the Contractor to fulfill the Contractor's obligations.

§ 6.3 Intent

The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all.

§ 6.4 Ownership and Use of Architect's Drawings, Specifications and Other Documents

Documents prepared by the Architect are instruments of the Architect's service for use solely with respect to this Project. The Architect shall retain all common law, statutory, and other reserved rights, including the copyright. The Contractor, subcontractors, sub-subcontractors, and suppliers are authorized to use and reproduce the instruments of

service solely and exclusively for execution of the Work. The instruments of service may not be used for other Projects or for additions to this Project outside the scope of the Work without the specific written consent of the Architect.

Not Applicable

ARTICLE 7 OWNER

§ 7.1 Information and Services Required of the Owner

§ 7.1.1 If requested by the Contractor, the Owner shall furnish all necessary surveys and a legal description of the site.

§ 7.1.2 Except for permits and fees under Section 8.7.1 that are the responsibility of the Contractor, the Owner shall obtain and pay for other necessary approvals, easements, assessments, and charges.

§ 7.2 Owner's Right to Stop the Work

If the Contractor fails to correct Work which is not in accordance with the Contract Documents, the Owner may direct the Contractor in writing to stop the Work until the correction is made.

§ 7.3 Owner's Right to Carry Out the Work

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case, the Architect may withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the cost of correction, provided the actions of the Owner and amounts charged to the Contractor were approved by the Architect.

§ 7.4 Owner's Right to Perform Construction and to Award Separate Contracts

§ 7.4.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project.

§ 7.4.2 The Contractor shall coordinate and cooperate with the Owner's own forces and separate contractors employed by the Owner.

ARTICLE 8 CONTRACTOR

§ 8.1 Review of Contract Documents and Field Conditions by Contractor

§ 8.1.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents.

§ 8.1.2 The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner. Before commencing activities, the Contractor shall (1) take field measurements and verify field conditions; (2) carefully compare this and other information known to the Contractor with the Contract Documents; and (3) promptly report errors, inconsistencies, or omissions discovered to the Architect.

§ 8.2 Contractor's Construction Schedule

The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work.

§ 8.3 Supervision and Construction Procedures

§ 8.3.1 The Contractor shall supervise and direct the Work using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work.

§ 8.3.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner, through the Architect, the names of subcontractors or suppliers for each portion of the Work. The Contractor shall not contract with any subcontractor or supplier to whom the Owner or Architect have made a timely and reasonable objection.

§ 8.4 Labor and Materials

§ 8.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work.

§ 8.4.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ 8.5 Warranty

The Contractor warrants to the Owner and Architect that: (1) materials and equipment furnished under the Contract will be new and of good quality unless otherwise required or permitted by the Contract Documents; (2) the Work will be free from defects not inherent in the quality required or permitted; and (3) the Work will conform to the requirements of the Contract Documents. Any material or equipment warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 12.5.

§ 8.6 Taxes

The Contractor shall pay sales, consumer, use, and similar taxes that are legally required when the Contract is executed.

§ 8.7 Permits, Fees and Notices

§ 8.7.1 The Contractor shall obtain and pay for the building permit and other permits and governmental fees, licenses, and inspections necessary for proper execution and completion of the Work.

§ 8.7.2 The Contractor shall comply with and give notices required by agencies having jurisdiction over the Work. If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs. The Contractor shall promptly notify the Architect in writing of any known inconsistencies in the Contract Documents with such governmental laws, rules, and regulations.

§ 8.8 Submittals

The Contractor shall promptly review, approve in writing, and submit to the Architect shop drawings, product data, samples, and similar submittals required by the Contract Documents. Shop drawings, product data, samples, and similar submittals are not Contract Documents.

§ 8.9 Use of Site

The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits, the Contract Documents, and the Owner.

§ 8.10 Cutting and Patching

The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly.

§ 8.11 Cleaning Up

The Contractor shall keep the premises and surrounding area free from accumulation of debris and trash related to the Work. At the completion of the Work, the Contractor shall remove its tools, construction equipment, machinery, and surplus material; and shall properly dispose of waste materials.

§ 8.12 Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them, from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a subcontractor, anyone directly or indirectly employed by them or

anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder.

ARTICLE 9 ARCHITECT

§ 9.1 The Architect will provide administration of the Contract as described in the Contract Documents. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 9.2 The Architect will visit the site at intervals appropriate to the stage of construction to become generally familiar with the progress and quality of the Work.

§ 9.3 The Architect will not have control over or charge of, and will not be responsible for, construction means, methods, techniques, sequences, or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's responsibility. The Architect will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

§ 9.4 Based on the Architect's observations and evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor.

§ 9.5 The Architect has authority to reject Work that does not conform to the Contract Documents.

§ 9.6 The Architect will promptly review and approve or take appropriate action upon Contractor's submittals, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 9.7 On written request from either the Owner or Contractor, the Architect will promptly interpret and decide matters concerning performance under, and requirements of, the Contract Documents.

§ 9.8 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from the Contract Documents, and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 9.9 The Architect's duties, responsibilities, and limits of authority as described in the Contract Documents shall not be changed without written consent of the Owner, Contractor, and Architect. Consent shall not be unreasonably withheld.

ARTICLE 10 CHANGES IN THE WORK

§ 10.1 The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract, consisting of additions, deletions or other revisions, and the Contract Sum and Contract Time shall be adjusted accordingly, in writing. If the Owner and Contractor cannot agree to a change in the Contract Sum, the Owner shall pay the Contractor its actual cost-plus reasonable overhead and profit.

§ 10.2 The Architect may authorize or order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Such authorization or order shall be in writing and shall be binding on the Owner and Contractor. The Contractor shall proceed with such minor changes promptly.

§ 10.3 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be subject to equitable adjustment.

ARTICLE 11 TIME

§ 11.1 Time limits stated in the Contract Documents are of the essence of the Contract.

§ 11.2 If the Contractor is delayed at any time in progress of the Work by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties, or other causes beyond the Contractor's control, the Contract Time shall be subject to equitable adjustment.

§ 11.3 Costs caused by delays or by improperly timed activities or defective construction shall be borne by the responsible party.

ARTICLE 12 PAYMENTS AND COMPLETION

§ 12.1 Contract Sum

The Contract Sum stated in this Agreement, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 12.2 Applications for Payment

§ 12.2.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment for Work completed in accordance with the values stated in this Agreement. The Application shall be supported by data substantiating the Contractor's right to payment as the Owner or Architect may reasonably require, such as evidence of payments made to, and waivers of liens from, subcontractors and suppliers. Payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment stored, and protected from damage, off the site at a location agreed upon in writing.

§ 12.2.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment, all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims, security interests, or other encumbrances adverse to the Owner's interests.

§ 12.4 Progress Payments

§ 12.4.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner provided in the Contract Documents.

§ 12.4.2 The Contractor shall promptly pay each subcontractor and supplier, upon receipt of payment from the Owner, an amount determined in accordance with the terms of the applicable subcontracts and purchase orders.

§ 12.4.3 Neither the Owner nor the Architect shall have responsibility for payments to a subcontractor or supplier.

§ 12.4.4 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the requirements of the Contract Documents.

§ 12.5 Substantial Completion

§ 12.5.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use.

§ 12.5.2 When the Contractor believes that the Work or designated portion thereof is substantially complete, it will notify the Architect and the Architect will make an inspection to determine whether the Work is substantially complete. When the Architect determines that the Work is substantially complete, the Architect shall prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, establish the responsibilities of the Owner and Contractor, and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 12.6 Final Completion and Final Payment

§ 12.6.1 Upon receipt of a final Application for Payment, the Architect will inspect the Work. When the Architect finds the Work acceptable and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment.

§ 12.6.2 Final payment shall not become due until the Contractor submits to the Architect releases and waivers of liens, and data establishing payment or satisfaction of obligations, such as receipts, claims, security interests, or encumbrances arising out of the Contract.

§ 12.6.3 Acceptance of final payment by the Contractor, a subcontractor or supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 13 PROTECTION OF PERSONS AND PROPERTY

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs, including all those required by law in connection with performance of the Contract. The Contractor shall take reasonable precautions to prevent damage, injury, or loss to employees on the Work and other persons who may be affected thereby, the Work and materials and equipment to be incorporated therein, and other property at the site or adjacent thereto. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, or by anyone for whose acts the Contractor may be liable.

ARTICLE 14 CORRECTION OF WORK

§ 14.1 The Contractor shall promptly correct Work rejected by the Architect as failing to conform to the requirements of the Contract Documents. The Contractor shall bear the cost of correcting such rejected Work, including the costs of uncovering, replacement, and additional testing.

§ 14.2 In addition to the Contractor's other obligations including warranties under the Contract, the Contractor shall, for a period of one year after Substantial Completion, correct work not conforming to the requirements of the Contract Documents.

§ 14.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Section 7.3.

ARTICLE 15 MISCELLANEOUS PROVISIONS

§ 15.1 Assignment of Contract

Neither party to the Contract shall assign the Contract as a whole without written consent of the other.

§ 15.2 Tests and Inspections

§ 15.2.1 At the appropriate times, the Contractor shall arrange and bear cost of tests, inspections, and approvals of portions of the Work required by the Contract Documents or by laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities.

§ 15.2.2 If the Architect requires additional testing, the Contractor shall perform those tests.

§ 15.3 Governing Law

The Contract shall be governed by the law of the place where the Project is located, excluding that jurisdiction's choice of law rules.

ARTICLE 16 TERMINATION OF THE CONTRACT

§ 16.1 Termination by the Contractor

If the Work is stopped under Section 12.3 for a period of 14 days through no fault of the Contractor, the Contractor may, upon seven additional days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed including reasonable overhead and profit, and costs incurred by reason of such termination.

§ 16.2 Termination by the Owner for Cause

§ 16.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the subcontractors;
- .3 repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority; or

.4 is otherwise guilty of substantial breach of a provision of the Contract Documents.

§ 16.2.2 When any of the above reasons exist, the Owner, after consultation with the Architect, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may

- .1 take possession of the site and of all materials thereon owned by the Contractor, and
- .2 finish the Work by whatever reasonable method the Owner may deem expedient.

§ 16.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 16.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

§ 16.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, such excess shall be paid to the Contractor. If such costs exceed the unpaid balance, the Contractor shall pay the difference to the Owner. This obligation for payment shall survive termination of the Contract.

§ 16.3 Termination by the Owner for Convenience

The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 17 OTHER TERMS AND CONDITIONS

(Insert any other terms or conditions below.)

Exhibit "A" Proposed Letter dated June 29, 2023

This Agreement entered into as of the day and year first written above.

OWNER (Signature)

Laura LaVigne
CEO

CONTRACTOR (Signature)

Brad Crain
President



ARC Julie Rivers Estimate

7/13/2023

PROJECT:

407 Julie Rivers Drive
Sugarland, TX

PROJECT SIZE:

6,143 TOTAL SF

DESCRIPTION	QTY	UNIT	RATE	ITEM TOTAL	DIVISION TOTAL
General Conditions					\$26,500.00
Supervision/Project Management	1	ls	15,000.00	15,000.00	
Temporary Power	Use Exist	Use Exist	Use Exist	Use Exist	
Temporary Water	Use Exist	Use Exist	Use Exist	Use Exist	
Temporary Phone	1	ls	300.00	300.00	
Temporary Toilet	1	ls	500.00	500.00	
Temporary Protection	1	ls	1,250.00	1,250.00	
General Labor	1	ls	2,500.00	2,500.00	
Punch list	1	ls	500.00	500.00	
Travel Expense	1	ls	1,500.00	1,500.00	
Blue Prints	1	ls	200.00	200.00	
Permit Allowance	by Owner	by Owner	by Owner	by Owner	
Material Testing	by Owner	by Owner	by Owner	by Owner	
Utility Fees, Impact Fees, Reservation Fees	by Owner	by Owner	by Owner	by Owner	
Construction Dumpster	1	ls	4,000.00	4,000.00	
Final Clean	1	ls	750.00	750.00	
Demolition					\$6,143.00
Demo (tile, carpet, ACT, Drywall)	1	ls	6,143.00	6,143.00	
Concrete					\$0.00
Concrete - Sawcut/Pourback	1	ls	NIC	NIC	
Metals					\$0.00
Wood and Plastics					\$5,250.00
Carpentry (sills, blocking, trim)	1	ls	2,500.00	2,500.00	
Plam Millwork - new counter/drawers (10lf)	1	ls	2,750.00	2,750.00	
Solid Surface Counters at Restrooms (8lf)	1	ls	2,400.00	2,400.00	
Thermal/Moisture Protection					\$0.00
Doors/Frames/Hardware					\$9,750.00
New Interior Doors/Frames/Hardware (1)	1	ls	2,500.00	2,500.00	
New Hardware/Frames @ Reused Doors (7)	1	ls	5,250.00	5,250.00	
Door/HW Install (8)	1	ls	2,000.00	2,000.00	
Glass and Glazing					\$0.00
Finishes					\$60,079.00
Interior Framing/Sheetrock (149lf)	1	ls	8,100.00	8,100.00	
Tape & Float	1	ls	incl	incl	
Acoustical Ceilings - patch/new at RR/Conf	1	ls	3,000.00	3,000.00	Allowance
Painting	1	ls	10,395.00	10,395.00	
Carpet (735sy)	1	ls	19,500.00	19,500.00	Allowance
VCT Flooring (kitchen) (150lf)	1	ls	300.00	300.00	
Tile Flooring (1143sf)	1	ls	11,430.00	11,430.00	
Tile Walls @ Restrooms (112sf)	1	ls	1,120.00	1,120.00	
Tile Base (385lf)	1	ls	1,540.00	1,540.00	

Base at Buildout Areas (1796lf)	1	ls	2,694.00	2,694.00	
Floor Prep	1	ls	2,000.00	2,000.00	Allowance

Specialties					\$5,750.00
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Toilet Partitions/Accessories	1	ls	5,500.00	5,500.00	
Appliances	1	ls	by Owner	by Owner	
ID Signage	1	ls	250.00	250.00	

Mechanical					\$14,000.00
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Plumbing	1	ls	8,000.00	8,000.00	
HVAC Systems (exist/relocate diffusers)	1	ls	6,000.00	6,000.00	

Electrical					\$20,500.00
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Electrical (new outlets (7); New Data (7))	1	ls	7,000.00	7,000.00	
Lighting - new at restrooms / reloc exist as required	1	ls	6,000.00	6,000.00	
Access Control	1	ls	7,500.00	7,500.00	Allowance
Fire Alarm/Security System		by Owner	by Owner	by Owner	by Owner

Subtotal		\$150,372.00	\$147,972.00
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Construction Fee	10%	\$14,797.20
Design Services		\$5,000.00
Construction Contingency	6%	\$10,000.00
Contractor's GL Insurance		\$1,139.38

Construction Total		\$178,908.58
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		cost/sf	\$29.12
ALT 01	Replace all lighting - standard 2x4 LED	80	300.00
ALT 02	Replace all ACT Ceiling Tile w/ 2x2 Armstrong Cortega 770 (Exist Grid to Remain)	6,143	2.20
ALT 03	Replace all door hardware	22.00	1,000.00
ALT 04	Replace existing upper/lower millwork at kitchen	7.00	302.50
ALT 05	Paint (2) other tenant spaces	600.00	6.00
ALT 06	Solargard armorcoat 8mil film at approximately 18lf of storefront at office (10'ht)	180.00	30.00

TOTAL w ALTERNATES	\$223,940.68
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Qualifications:

- 1 Estimate does not account for permit fees, meter and tap fees (domestic and irrigation), impact fees, material testing fees, reservation fees, utility company fees, MUD fees, inspections, bonds, telephone lines, telephone systems, voice/data cabling, building signage, security systems, graphics, vending machines, furniture, televisions, television mounts, security alarm system, security camera systems.
- 2 Tile at restroom bid as \$10/sf allowance - furnish and install.
- 3 Appliances are bid as Owner F/I
- 4 Access Control Bid as Allowance - (5) Card Readers and Ring Door Bell with Release
- 5 Pricing based on all work during normal working hours; Restrooms will be unavailable during retrofit
- 6 Electrical scope assumes existing infrastructure is code compliant




August 1, 2023

Ms. Laura Lavigne
Chief Executive Officer
THE ARC OF FORT BEND COUNTY
123 Brooks Street
Sugar Land, Texas 77478

Re: Standard Form of Agreement between Owner (The ARC of Fort Bend County) and Contractor (Crain Group, LLC), dated July 5, 2023 for the project titled *The Arc of Fort Bend County @ 407 Julie Rivers Drive*; Clarification

Dear Ms. LaVigne:

The intent of this letter is to clarify the structure of the Agreement by and between Crain Group and The ARC of Fort Bend County. At the onset in original conversations, a "Cost Plus" arrangement was discussed. Fast forward to the drawings and pricing being finalized, a "Stipulated Sum" agreement was produced and later executed. Signatures below represent the parties agree the project will be treated as "Cost Plus". Specifically, the parties will treat this project as an open book and Crain Group will charge only for expenses incurred plus its 10% fee. The budgetary estimate attached to the Agreement accounts for the expenses anticipated.



Brad Crain, President



Laura LaVigne, CEO 8/8/2023



Real Estate Committee
MEETING MINUTES
September 6, 2023

Present: T. Zafar, Chair; K. Casey, R. Cushenberry, H. Marshall, M. Neely, J. Patterson, L. LaVigne

Absent: M. Casey, J. Gortney, L. Lobue

1. T. Zafar welcomed Treasurer, M. Neely to the committee.
2. Brazos Glen: The home closed on August 31, as planned. H. Marshall prepared and reviewed a reconciliation of the sale to reflect \$83,984.04 paid to Foundation to pay off the note, \$80,128.86 net funds to The Arc; equaling \$164,112.90 in net funds received. J. Patterson asked when the Foundation could expect to receive The Arc's funds so they could be invested. M. Neely responded that The Arc's Budget & Finance committee discussed that and it was still in committee. Internal Controls state that funds from asset sales may be used for a mission-centered project; otherwise transferred to the Foundation within 90 days.
3. The Arc's and Julie River's Income/Expense Reports: All reports reviewed and approved.
4. Lease Renewals: Five homes have leases expiring Oct. 31, and one on Nov. 30, 2023. Committee reviewed CMAs and tax-adjusted rent calculations furnished by R. Cushenberry. After much discussion, committee recommended the following:
 - a. Grant Dr., Chapman Falls, Thomas Jefferson and Wagon Wheel have leases expiring on Oct. 31. Each will be offered a one-year lease at a \$100 increase per month, or a two-year lease at a \$150 increase per month.
 - b. Cotter Ln. lease expires on Oct 31. It will be offered a one-year lease at a \$200 increase per month or a two-year lease at a \$250 increase per month
 - c. Willow Springs has a lease expiring Nov 30 and will be offered a one-year lease at the current rate or a two-year lease at a \$50 increase per year.

J. Patterson moved for the above terms and conditions. K. Casey seconded. Motion passed.

Action Item: Committee recommends the Board ratify the above leases under the approved terms and conditions.

Regarding lease renewals, the protocol followed includes the following:

- a. L. LaVigne will provide a list of homes with leases expiring two months in advance; and will also provide a summary review of the subject property R & M costs.
- b. R. Cushenberry gathers the CMAs for the homes and provides submarket comparable lease rates, and tax adjusted proposed lease renewal rates for the Arc property or properties.



- c. Committee reviews all the information and makes a recommendation of the new lease terms and conditions and approves it.
- d. Committee affords L. LaVigne authority to offer and sign the lease(s) at the approved rate.
- e. Committee informs the board of the new lease amounts at the next regularly scheduled board meeting. This procedure/protocol will be recommended to the B & F Committee as part of the Internal Controls revisions.

Action Item: Committee recommends the above "practiced procedures" be ratified by the Board.

- 5. Julie Rivers Update: The project's permits are still in review at the City. A sub-committee including members K. Casey, J. Patterson and L. Lobue will be available to work with the Crain Group GC to approve any change orders and approve pay requests. Committee discussed defining authority of the sub-committee to approve said change orders and pay requests. After much discussion, it was agreed that a sub-committee member will have authority to approve an increase in change orders not to exceed 10% of the "line item total" of the approved, Crain Group Estimate.

H. Marshall moved the above procedure. M. Neely seconded. Motion passed.

Action Item: Committee recommends the Board approve the above procedure for change-order and pay requests approval.

- 6. Summerdale CBDG Sprinkler System Grant: J. Patterson told the committee that The Arc's approved CDBG request of \$35,000 has not yet been awarded. J. Patterson will approach C. Borego and ask what she may need from us to move forward, as this is a "reimbursement grant".

Additionally, J. Patterson asked L. LaVigne to check with current providers who have only 3 tenants in our 4-BR homes if they would be willing/able to accommodate a 4th client and if so, how much additional money do they receive and what could they put toward the lease payment if The Arc installed a required sprinkler system. Committee discussed considering the age of the homes and agreed to select newer homes. L. LaVigne will begin with the COO at Forgotten Angels, as they have two of the newer homes and have proven to take good care of them. H. Marshall will run calculations to see how much of an increase to the lease payments we would need to implement and for how many years in order to recoup (amortize) our expenditure.

Next Meeting: October 4, 2023

**CEO Report
July and August 2023**

- I. Strategic Goal: The Arc shall advocate for appropriate individualized educational programs & opportunities for people with intellectual and developmental disabilities (I/DD) in all stages of life.**
Karri's Highlights:

Parent Contacts & Visits:

July/August 2023 Contacts:

General Info & Referral: 4 (1.7 hrs.); 20 (7.5 hrs)
Special Ed: 2 (1.8 hrs.); 11 (6.5 hrs.)
IEP Reviews/Consultations: 1 (1.2 hrs.); 12 (15.10 hrs.)
ARD Meeting/Prep: 0
Life Planning: 1 (1.5 hrs.)
Guardianship: 2 (.80 hrs.)
Adult Services (Provider/Day Hab/SSI/Medicaid): 1 (.5 hrs.); 5 (2.7 hrs)
Employment: 1 (.40 hrs.)
Outreach: 8 hours; 14.50 hours (Attend community events, vendor fairs, create Community Happenings, social media articles, videos, virtual events)

Total Education Advocacy Hours in: Jan - August 2023: 161.2 hrs

Fall 2023 Parent Presentation Meetings

9/14/23 – Behavior Strategies & Communication (Nyla Castillo, B.S, BCBA – The Monarch School & Institute)
10/12/23 – Texas Workforce Solution & Vocational Rehabilitation (Janeen Gordon)
11/09/23 – Fort Bend Co. Transit (Toki Bennett)
12/14/23 – Parent Tips to Protect Against Medicaid Fraud (Texas Attorney General's Office – Lesleigh Morton)

M.O.K.A. Parent Support Group: Facebook Group ongoing

- II. Strategic Goal: The Arc shall advocate for a variety of vocational/employment options for people with I/DD.**

Community Happenings e-news & social media posts of employment opportunities & training programs

- III. Strategic Goal: The Arc shall advocate for public and private community institutions to become more responsive to the individual needs of people with I/DD, thereby promoting quality of life for all.**

- I attended the Access Health Back to School Breakfast with Tariq – Wong Fleming table.
- I attended the George Foundation Linc Presentation at St. Lawrence Catholic Church. This Program connects organizations & charities that provide housing & other critical needs assistance throughout Fort Bend Co. Software application will provide citizens a single app to apply for a variety of critical needs like housing, utility and food assistance.
- Karri and I presented to the Texas State Attorney General's Office – Medicaid Fraud Division. Our topic was difficulties running a Group Home in Fort Bend County.

Community Meetings Membership:

Karri: Fort Bend Connect, Community Resource Coordination Group (CRCG)

Laura: Fort Bend Transportation Advisory Committee, Ft. Bend Leadership Group

- IV. Strategic Goal: The Arc shall advocate for and promote a variety of appropriate and inclusive social, cultural, fitness/wellness opportunities in the community.**

Social Rec/TwentySomethings:

- We are still accepting registration for the TwentySomething/Social Rec Summer Dance on July 13th. So far we have about 60 registered. Event will be held at Christs Church. The food and event venue has been secured.

Social Recreation:

7/13– Summer Dance – 92 Social Recreation members and family or staff attended.

7/23 – Sports Banquet – 148 Bowlers, Special Olympics Athletes, volunteers and guests attended.

7/ 5 – Jurassic World Live – 86 Social rec members, family and staff attended.

Special Olympics:

- Accepting registration for swimming. So far we have 16 signed up. Swim practices will start July 17th at George Ranch. This will be our first year to utilize this facility. We had 16 athletes show up for our first practice. Also added a new coach to our coaching staff. Hannah Oujesky is a welcomed addition to the team. She is a former swimmer and works well with our athletes. She has also agreed to coach additional sports as long as they don't conflict with aquatics.

- Accepting registration for the sport of bocce. We have 19 registered to compete. Practices will begin July 31st at First Colony Community Association. We had 18 in attendance for our first practice. Andrew Wilde and Scott Berry have stepped up to help Debbie Patton with coaching.

- Accepting registration for softball. There are 24 signed up to compete this year. Practices will begin on July 24th at Missouri City Community Fields. 23 in attendance for our first practice. We have 4 active softball coaches but looking to grow that number.

- Continuing to work on invitation list for the Annual Sports Banquet. Invitations will go out the first week of July. In August, RSVP's are coming in.

- In the process of planning meals, schedules, etc. for Fall Classics (State Games). Also working on room assignments and uniform needs.

Teen/Tween Social:

- (VIRTUAL) Friday, July 7, 2023 6 –7 pm Teens: 4 Registered – 3 attend (1 - 1st time attendee) Volunteers: 9 Registered – 6 attend (1 Adult, 5 Teens). 2 – 1st Time Vol.)
- (VIRTUAL) Friday, August 4, 2023 6 –7 pm Teens: 4 Registered – 1 attend Volunteers: 9 Registered – 2 attend (2 Teens)

Youth Group:

- July 28, 2023 (9 am – 12 pm) – Pool Party at Fort Bend Family YMCA. Pizza @ 6 pm. (19 Registered. 16 Attended).
- August - Free Family Passes to Children's Museum of Houston

V. Strategic Goal: The Arc shall continue to invest in properties that are self-sustaining and provide facilities for our constituents

I spent time with staff at Julie Rivers tagging all furniture left by former owner either “keep” or “for donation”. And then arranged for Habitat for Humanity to pick up the furniture they wanted. The remaining unusable furniture was removed and taken to the landfill.

I also met with staff from PreActive IT to survey the building to determine where data drops will be installed.

(See Real Estate committee minutes)

- VI. Strategic Goal: The Arc shall provide effective leadership to insure sustainability of the organization's programs and services through utilizing an annual, Cost/Base/Analysis, assisting with fundraising activities, acquiring grants and maintaining the "corpus" of the Foundation.**

I attended the closing of the sale of Brazos Glen.

Pam completed the grant request for Ft. Bend Jr. Service League. We asked for \$15,000.

Nancy completed the June & July 2023 monthly reports and billing for reimbursement. Organizing 2023 files that have been received for the site audit and requesting information needed to complete files. Completed and submitted the 2023 Semi- annual CDBG report.

Community Development Block Grant Reimbursement:

July 2023	August 2023
Personnel- \$ 2, 106.61	Personnel- \$ 2, 216.04
Fees & Services – 490.20	Fees & Services – \$868.54
Contract Staff - \$ 160.00	Contract Staff - \$ 160.00

Membership Numbers:

Corporate	2
Family:	118
Individual	12
IWD	91
Lifetime	11
VIP	22
Total	256

Building Dedication Plaque – 407 Julie Rivers

This building is gratefully dedicated to the many parents, siblings, volunteers, and members of our community who make a positive difference in the lives of individuals with intellectual and developmental disabilities.

We offer our sincere appreciation to those who have provided both the leadership and resources to help secure the acquisition of this building which will serve as the home for The Arc of Fort Bend County for many years to come.

The George Foundation Harrison Interests
The Henderson-Wessendorff Foundation

Judge Robert E. Hebert
The Swinbank Family



To: Executive Committee and Board Members

From: L. LaVigne

Re: Proposed Fundraising and Public Relations Liaison FTE

Date: September 14, 2023

Why am I requesting a Fundraising/Public Relations Liaison now:

When I began at The Arc, we had the same two, very profitable fundraisers. There were committees for each and the committees “appeared” to do all of the work. The Arc staff served as a liaison between the committees and the organization. We were not really involved in the committee work. They didn’t want the staff involved. They were separate entities raising money for The Arc of Fort Bend.

Best in the West: We were responsible for gathering auction items only for The Arc’s corral. We assisted with the set-up and break-down of the George Ranch arena – but were not in charge of anything. We were responsible for categorizing and calling people to come and get their auction items from the office after the event. All registrations and payments were handled through Patterson’s office – his 3 admin assistants. Any raffles were handled through his office.

Golf Classic: We gathered items for the Goody Bags. We picked up the box lunches and drove them to the course. Everything else was handled by committee members and the volunteers they recruited. Registration and payments were handled through Patterson’s office – his 3 assistants. Any raffles were handled through his office.

Since 2018, everything surrounding the two fundraisers has been moved to The Arc’s staff. There are no committee members nor “their volunteers” to handle any of the logistics. It’s not just the “administrative” work. In addition to the administrative work, Cheryl and I have been tasked with gathering Live Auction items, sponsorships and tables. Nancy and her husband, Mike, are in charge of setting up the entrance at the ranch. Nancy also runs The Arc’s corral. Pam is entirely in charge of the Dessert Corral. Karri is in charge of the wine pull and this year, all volunteers. Cheryl and I run “will call”, ticket sales and check-out. All registration and payments come through The Arc’s office – AS IT SHOULD BE.

An analysis of effective fundraising skills, reveals it involves contacting and forming relationships with people. That’s how sponsorships, donations, golf teams and table sales are increased. It’s working in the community and meeting with people and talking about The Arc – also increasing our public relations.

The job description has been written to address The Arc's immediate and future needs in these areas. If and when the needs change, then the job description can be adjusted to meet the needs.

In order to arrive at an appropriate salary, I contacted four nonprofit organizations to ask what "like" positions they employ. I also consulted the 2021 United Way Wage and Benefit Report and the 2022 Texas Council on Family Violence (TCFV) Compensation Report.

All are doing something a bit differently depending on their unique needs. The development, fundraising, marketing and social media landscapes are very different post- COVID.

Marketing/Fundraising/Social Media Positions

1. 2021 United Way
Director Marketing – Human Services Organizations: Avg salary \$55,169
Manager, Public Relations: Avg salary \$64,879
2. 2022 Texas Council on Family Violence (TCFV) Report
Development Director – Avg salary \$66,130
3. Vita Goodell – Fort Bend County Woman's Center
Development Director - \$103,000
She has 3 staff under her supervision: Fundraising, Social Media, Marketing
4. The Arc of Harris County
Development Director - \$73,000
Outsourced Social Media - \$1200 per month
5. Parks Youth Ranch
Development Director- Open Position - \$55,000 - \$65,000
6. Fort Bend Alliance for Drug Prevention
No Development positions nor fundraisers – they only do "Planned Giving"

My salary decision was based on the above plus, it is in line with the three, current, Program Directors.

I'm aware there is some concern about the whether or not The Arc will realize positive gains in fundraising and public relations which will warrant the cost of salary and benefits of an FTE.

As CEO, I am responsible for the work product of all employees. Each of the program directors have been and continue to be expected to grow their programs and meet the changing needs of our clients and families. As their manager, I evaluate their performance each year and we discuss goals for the coming year.

I have been proud to see that under my leadership, The Arc greatly expanded its Youth programs, Respite, Education Advocacy, Parent Training and Support and information and referral. We have also established lasting relationships with "like" nonprofits.

Our Special Olympics Delegation has grown to 11 sports – and there is something happening all year long. Our TwentySomethings program has expanded to over 20 participants from all over the county.

Social Rec has continued to meet the needs of families by providing event tickets to clients and family members so that they can enjoy recreational activities together. Our bowling program continues to serve 35 – 40 bowler each week – with no increase in cost.

As The Arc's managing CEO, I am accustomed to accepting the responsibility for the performance of each of my employees and will continue to do so with the new Fundraising and Public Relations Liaison, if approved.

Thank you, for your consideration

The Arc of Fort Bend County

Job Description

Position: Fundraising & Public Relations Liaison
Reports to: CEO
Classification: Salaried/exempt/full-time/12 months
Hours: 40 hours per week; flexible. May include some evenings and weekends

Position Overview:

As the Fundraising and Public Relations Liaison at The Arc, you will play a pivotal role in achieving continued growth and expanding financial resources to support our mission. You will be responsible for managing and coordinating all special events and fundraising activities while fostering new and maintaining existing relationships with stakeholders, corporations, and funders. Additionally, you will spearhead public relations efforts, representing The Arc in the community and promoting our programs to the public. The ideal candidate will possess a strong background in nonprofit fundraising and public relations, along with exceptional communication and organizational skills.

Duties:

1. **Develop and Execute Fundraising Strategies:**
 - Identify and pursue diverse fundraising options to engage different segments of the population.
 - Set ambitious fundraising targets and develop comprehensive plans to achieve them.
 - Manage sponsorships, donations, ticket sales, and raffle sales for all special events.
2. **Coordinate Special Events:**
 - Work closely with the Best in the West and Golf Classic committees to plan and execute successful events.
 - Track event-related metrics, such as attendance, revenue, and donor engagement.
3. **Cultivate Stakeholder Relationships:**
 - Establish and nurture relationships with stakeholders, community organizations, corporations, and potential funders
 - Engage the participation of current members and committee members to identify and establish new relationships with potential funders
 - Research and develop a Planned Giving program
4. **Public Relations and Community Engagement:**
 - Develop a social media strategy to increase visibility and engagement
 - Manage requests for The Arc's participation in community events, conferences, and fairs.
 - Provide clear and informative communication to the public and key stakeholders about our programs and initiatives.
5. **Administrative Responsibilities:**
 - Ensure the confidentiality of sensitive information.
 - Submit timely expense forms, and data reports.

Qualifications:

1. Minimum of 5 years of experience in nonprofit fundraising and public relations.
2. Strong organizational and technical skills, with proficiency in MS Office, Dynamics 365, GiveSmart Donor and Fundraising software
3. Proven ability to build effective relationships and collaborate with others, including diverse professional staff and volunteers.
4. Demonstrated verbal and written communication skills, excellent problem-solving, and decision-making capabilities.
5. Deep understanding of the intellectual and developmental disability (IDD) population and related community issues.
6. Cross-cultural sensitivity and the ability to work effectively with diverse groups.
7. Self-motivation and strong critical thinking skills to drive initiatives forward.
8. Willingness and ability to travel within Fort Bend County as required.

Metrics for Success will be determined yearly by the CEO and employee. Examples may include, but are not limited to:

- Increase in fundraising revenue by [X]% compared to the previous year.
- Successful planning and execution of [X] special events with [X]% increase in attendance
- Maintain and expand relationships with [X] new stakeholders, corporations and/or funders.
- Growth in social media engagement with [X]% increase in followers and interactions.

Signed: _____

Date: _____

Date: August 18, 2023

To: Budget & Finance Committee

From: L. LaVigne

Re: Salary Recommendation for new FTE Fundraising & Public Relations Liaison

As you are aware, I have requested an additional full-time position which will be entitled, "Fundraising and Public Relations Liaison". This will be an exempt, salaried position. My salary recommendation is \$52,000 per year. However, pursuant to discussions with this committee, there will be approximately a \$15,000 additional cost to cover insurance and benefits. The total will be submitted to Budget and Finance in the 2024 Operating Budget drafts.

The proposed job description is in review, and I would like to take the position (including approved salary) with the job description to the next board meeting.

Please let me know if you have any questions or need further information.

COMMITTEE ASSIGNMENTS 2023-24

Edited September 2023

I. GOVERNANCE: [A. JOHNSTON](#), [J. ALCALA-HAMILTON](#), [C. HUBER](#)

1. LEGAL COMPLIANCE
BOARD POLICY, EMPLOYEE POLICY
2. REVIEW OF GOVERNANCE DOCUMENTS
BYLAWS, INTERNAL CONTROLS
3. SUCCESSION PLANNING
4. BOARD MEMBER NOMINATION (OVERSEE NOMINATING COMMITTEE)
5. BOARD MEMBER ORIENTATION
6. BOARD MEMBER EVALUATION
7. REVIEW OF MISSION & GOALS
8. DISASTER RECOVERY
9. EXECUTIVE DIRECTOR EVALUATION

II. FINANCE: [M. GEARY](#), [T. DUEZ](#), [J. GORTNEY](#), [S. LEE](#), [L. LOBUE](#)

1. MONTHLY FINANCIALS REVIEW
2. ANNUAL BUDGET
3. ANNUAL AUDIT/FORM 990
4. FINANCIAL PERFORMANCE

III. REAL ESTATE: [T. ZAFAR](#), [K. CASEY](#), [M. CASEY](#), [R. CUSHENBERRY](#), [J. GORTNEY](#), [L. LOBUE](#), [M. NEELY](#), [J. PATTERSON](#)

1. MONTHLY REAL ESTATE INCOME/EXPENSE REVIEW
2. ANNUAL BUDGET PREP FOR FINANCE COMMITTEE
3. LEASE RATES FOR PROPERTIES

III. EXECUTIVE COMMITTEE (BOARD OFFICERS + COMMITTEE CHAIRS) [H. MARSHALL](#), [T. ZAFAR](#), [T. DUEZ](#), [M. GEARY](#), [A. JOHNSTON](#), [L. LOBUE](#)

1. APPROVAL OF STRATEGIC
2. PLAN APPROVAL OF STRATEGIC PLAN
3. GOVERNMENTAL RELATIONS
4. PARTNERSHIPS
5. FUNDRAISING 6. ANNUAL MEETING