



Board Meeting Agenda  
January 27, 2020 – 6:00 p.m.

5:30 pm      Dinner  
6:00 pm      Meeting

- I.      **Call to Order & Determination of a Quorum**
- II.     **Welcome Guests**
- III.    **Public Comment**
- IV.    **Consent Agenda**
  - A.      Approve Board Meeting Minutes – December 16, 2019
  - B.      01.15.2020 Executive Committee Meeting Minutes
- V.     **Assignment of Items Removed from Consent Agenda to Agenda**
- VI.    **CEO Report**
  - A.      December 2019 - Program Highlights
  - B.      Adult Sibling Social Group – K. Axtell
- VII.   **Committee Reports:**
  - A.      Executive Committee Report – C. Huber
    1.      Best in the West – Income/Expenses (to date)
    2.      Review CEO Succession Plan
  - B.      Internal Committee Report – H. Marshall
    1.      Budget and Finance Committee
      - a)      **Accept Financials: December 2019 YTD**
      - b)      **Accept 2018 Financial Review completed by Randy Walker and Co., CPA's**
      - c)      **2019 Financial Review by Randy Walker and Co., CPA's**
      - d)      **Review Final Edits to 2020 Operating Budget**
    2.      Real Estate Committee – T. Zafar  
No meeting January 8, 2020
- VIII.   **New Business:**

*Moms of Kids with Autism (MOKA) Support Group to meet second Tuesday of each month at The Arc.*
- IX.    **Adjourn**

**Next Board Meeting: March 23, 2020**



Board of Directors Meeting  
December 16, 2019  
Meeting Minutes

- I. Call to Order and Determination of Quorum: Charlie Huber, Chairman, established a quorum was present and began the meeting at 6:00 p.m.

Present	Absent	Guests	Staff Present
Pat Bullard	Dale Buckles	Gary Schottle	Laura LaVigne
Becky Geary	Allan Harris	Derek "Tank" Schottle	Cheryl Olivier
Avis Goldy	Stewart Jacobson	Chance Geary	
Charlie Huber		Kevin Barker	
Ann Johnston			
Sharon Lee			
Larry Lobue			
Hal Marshall			
Tariq Zafar			

- II. Welcome Guests: Charlie thanked everyone for coming and welcomed Gary Schottle, Tank Schottle, Chance Geary and Kevin Barker.
- III. Public Comment: Gary Schottle stated that Tank received Proclamations from Concord and Charlotte, N.C. by Mayor's William Dusch and Vi Lyles, respectively. December 12 and 13, 2019, were declared as Derek "Tank" Schottle day. The non-profit organization "The Sandbox" hosted an event in Tank's honor and donated \$250 to The Arc. Gary stated that The Arc has been a big part of Tank's achievements. Tank stated that he has had a wonderful experience with all the Special Olympics sports that he is able to play. Charlie Huber thanked Gary and Tank for coming and reminded the board of the value of our Special Olympics program. Tank was congratulated by several board members.
- IV. Consent Agenda: Motion was made by Larry Lobue to accept the Consent Agenda. Seconded by Ann Johnston.  
**Motion approved.**
- V. Assignment of items removed from Consent Agenda to Agenda: No items removed.
- VI. CEO Report: Laura reviewed the highlights of The Arc's programs and services for September, October and November. She stated that a video has been developed by Elsa Malakoff and narrated by Pat Bullard advertising The Arc's programs and services. Karri provided 229.50 hours of Education Advocacy to families through October 2019. Karri also collaborated with FBISD to plan and implement the Second Annual Adult Transition & Disability Resource Fair. Laura attended and helped execute the "Wings for All" event held on October 1, 2019 at Bush Airport. It was a great event with approximately 40 attendees. Laura further stated that Hobby Airport has contacted her about helping with a "Wings for All" event there. Karri attended and staffed a table at the Hope for Three and County Judge KP George Community Resource Fairs. Pam met with staff at the Four Corners Recreation facility to discuss using the facility for volleyball and basketball. The Social Recreation program had several events as well as bowling which had great participation. Special Olympics held practices in five sports in September as well as a Golf competition. Unfortunately, Regional Bocce and Softball Competitions were cancelled due to the weather. The Arc had three teams who all received gold medals in each of three divisions at the Volleyball Competition. Teen/Tween Social had great attendance with December being our biggest month with 18 teens registered. Laura and Karri are discussing possibly expanding the program. Laura thanked Larry Lobue for the free Holiday Lights tickets. Laura and Pam made a grant request presentation to FBJS highlighting Special Olympics. Laura made a presentation to "100

Women Who Give A Damn in Fort Bend County” and later received \$700 in donations. Laura and Megan Geary met with John Grzywa regarding donating funds from his maturing IRA. John then donated \$10,000 to our Special Olympics program, which was used to purchase uniforms and equipment that was needed. Pam met with Carole Williams about staffing the Dessert Corral, picked up donated baskets and secured a donation from the NASA Hilton Hotel and Mamacitas Restaurant for Best in the West. Hal stated that Pam has brought over donors to The Arc from her Special Olympics of Texas contacts with one of them being Boeing. Work on the Boeing grant will begin in January.

VII. Committee Reports:

A. Executive Committee:

- 1) Laura stated that the December 11, 2019, Executive Committee meeting minutes were not yet available for this meeting – but that all action items were addressed in committee reports.
- 2) Charlie stated that the 2019 Best in the West income is estimated at \$299,000 with more income and expenses coming in January. Laura stated that credit card fees would be much higher this year.
- 3) Board Self Evaluation Results and CEO Yearly Evaluation Results were deferred to closed session.
- 4) CEO Compensation recommendations were deferred to closed session.
- 5) Charlie asked the Board to please review and place the dates of the 2020 Board Meetings/Events on their calendars.

B. Internal Committee:

1. Budget & Finance

- a) Hal Marshall reviewed the November 2019 YTD Financials. A motion was made by Becky Geary to approve the November 2019 YTD Financials. Seconded by Avis Goldy. **Motion approved.**
- b) Hal reviewed the 2020 Operating Budget. A motion was made by committee to approve the 2020 Operating Budget. **Motion approved.** Pat Bullard extended his appreciation to Hal Marshall for the great job that was done on the preparation of the budget.

***The board convened in closed session at 6:47 p.m. to discuss Board Self Evaluation, CEO Compensation Recommendations and Real Estate items.***

- c) Charlie reviewed the results of the Board Self Evaluation.
- d) Charlie reviewed the results of the CEO Yearly Evaluation.
- e) The board discussed the 2019 CEO “end of year bonus” and the 2020 CEO Compensation Recommendations.

2. Real Estate Committee:

- a. The board discussed the November Real Estate Committee Meeting Minutes.
- b. The board discussed lease renewals for Manorfield Ct. Willow Springs, Grant Dr. and Rustic Trail homes.

***The board reconvened in open session at 7:14 p.m.***

- c. Motion made by Real Estate Committee to approve the lease renewals for the four homes. **Motion approved.**
- d. Motion made by Executive Committee to approve the 2019 CEO “end-of-year bonus” and the 2020 CEO compensation. **Motion approved.**

VIII. New Business: Charlie thanked the board and committees for their service

IX. Adjourn: Meeting adjourned at 7:31 p.m.

Submitted by:  
Cheryl Olivier  
Administrative Assistant

Attested to:  
Sharon Lee  
Secretary, Board of Directors



Executive Team Meeting Minutes  
4:45 pm January 15, 2020

Attendees:     *C. Huber, Chairman*                     *S. Lee, Secretary*  
                  *L. Lobue, Vice Chairman*               *L. LaVigne, CEO*  
                  *H. Marshall, Treasurer*

**1. Internal Committee Report:** H. Marshall

- a. Budget & Finance Committee
  - i. **December 2019 YTD Financials** – reviewed and discussed, noted \$39,000 surplus due to increased donations and cancelled Special Olympics games
  - ii. 2020 Operating Budget – Final – Laura reviewed final edits to the budget. Hal will look at presenting income sources (donations, grants, fundraising) in a pie chart for the past several years.
- b. Real Estate Committee Meeting November 6, 2019 T. Zafar
  - i. No meeting January 8, 2020
  - ii. Meeting between J. Patterson, L. LaVigne & Abe Sustaita, architect – to discuss requirements for The Arc office, if The Arc constructs its own building
  - iii. Grant Drive and Rustic Trails homes -are being refurbished to get ready to lease to the general public

**2. Governance Committee:** S. Lee

CEO Succession Plan sent to committee for periodic review – will be included in Board packet for monthly meeting. By law revisions regarding the audit need to be made.

**3. CEO Report:** L. LaVigne

- a. *Casey Connection* – working on membership
- b. Halliburton Grant – received \$25,000 grant to be used for Special Olympics
- c. Adult Sibling Social Group – Karri is starting an adult sibling group

**4. January 27, 2020 Board Meeting Agenda:** C. Huber

**Next Meeting: Wednesday, March 11, 2020, 4:45 pm**

Attachments:   December YTD 2019 Financials  
                      January 27, 2020 Board Meeting Agenda

**CEO Report  
December 2019**

- 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:

- General Info & Referral: December - 8
- Special Ed: December - 8
- IEP Reviews: December - 3
- ARD/Grievance/Transition Meetings: December - 6
- Guardianship: December - 2
- Adult Services (Provider/Day Hab/SO&SR): December - 1
- Employment: December - 1
- Outreach: December – 4 Total Hrs - 12

Total Education Advocacy Hours for 2019 from Jan – Dec: 243.50

Parent Support Group:

- Dec. 12 – Addressing Behavioral Challenges (BCBA -Apara AU Clinic)

Sibling Social Networking: As part of transition planning, Karri is creating an Adult Sibling Social Program in conjunction with The Texas Sibling Network.

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

- 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.**

12/03/19 – Teen Social “Volunteer Appreciation Tea Party” at The Tea House Sugar Land.

Community Meetings:

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

Laura: FASD Collaborative UT, Austin; Sugar Land Rotary; Leaders' Circle; Health Education Advisory Board (HEAB) of OBMC; Fort Bend Transportation Advisory Committee

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

Bowling:

December 14 – 32  
December 21 - 29  
December 28 - 28

Social Recreation:

12/07 – Winter Dance in Bay City – 113 Social Recreation members, guests and staff attended.

12/08 – Holiday Formal – 175 Social Rec members, Twenty Somethings, guests and staff attended.

Special Olympics:

12/07 - Bowling Competition in Webster – Alpha Bowl: 6 Competitors (2 Single Bowlers, 1 Doubles Team, 1 Unified Doubles Team) Everyone came home with a gold, silver or bronze medal.

Teen/Tween Social:

12/06 - 18 Teens Attend: (2 first time attendee, 3 no-show or canceled) Volunteers: 13 (10 Teens; 3 Adults. 4 First time volunteers. 10 No-show/cancel)

Twenty Somethings:

12/05 – Sugar Land Holiday Lights (Sensory Friendly) Constellation Field

12/08 - Holiday Formal at Safari Texas Ranch. They received scarves and enjoyed the time spent together celebrating the holiday season.

Youth:

12/05 – Sugar Land Holiday Lights (Sensory Friendly) Constellation Field

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

See Real Estate Committee meeting minutes for actions.

**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**

Charlie met with me to review my 2019 Performance Review.

Community Development Block Grant: December 2019

Nancy completed the monthly report required for the grant. The remainder of the amount in the 2019 budget was billed in November. Updated and mailed out the 2020 grant registration and eligibility forms.



123 Brooks Street Sugar Land, Texas 77478  
(281) 494-5959 Fax: (281) 494-5960 [www.arcoffortbend.org](http://www.arcoffortbend.org)

January 3, 2020

### **Program Goals and Operating Plan**

Adult Siblings Social Group benefitting people with  
Intellectual or Developmental Disabilities in Fort Bend County

**Goal:** Provide adult siblings and future caregivers of adults with intellectual or developmental disabilities (I/DD) with:

- 1) An opportunity to meet and connect with other adult sibling caregivers.
- 2) Valuable future planning information to support siblings as they plan to take over caregiving, guardianship and other life management aspects for a sibling with I/DD.
- 3) A supported environment where siblings may express their caregiving concerns, share information and resources with each other and learn how to support their sibling with I/DD.

#### **Outcomes:**

100% of adult siblings will:

- Meet other adults who are, or will be, caregivers of a sibling with I/DD.
- Be introduced to future planning, caregiving and life management information for a sibling with I/DD.

80% of care givers will:

- Report a positive outcome from the sibling social event.
- Engage in future planning topic discussions with the parent or current caregiver of an adult with I/DD at an earlier stage (from months to years earlier) than they would have otherwise.

#### **Strategy:**

- Director in charge of Information & Referral at The Arc of Fort Bend County will coordinate a semi-annual event (spring and fall) by scheduling a speaker, venue and refreshments.
- Adult siblings will be recruited to assist with planning and preparation of future events.

### **Program Details**

**Population Served:** Adults age 18+ who are a sibling to an adult with intellectual and/or developmental disabilities (I/DD) and anticipate being their siblings' caretaker. The Sibling or the person with I/DD must be a Fort Bend County resident.

**Event Details:** Provide a two (2) hour networking social and information session twice a year for adults who have a sibling with an intellectual or developmental disability (I/DD).

1. **Date/Time:** A Sunday afternoon from 2 - 4 pm in the spring (close to "National Sibling Day on April 10<sup>th</sup>), and a Sunday in mid to late September after Labor Day.
  - a. **Location:** Restaurants, Churches or other free/low cost venues.
2. **Cost:** Free to attendees.

## *Best in the West 2019*

2019 Income	\$292,661.00
2019 Expenses	\$35,028.66
2019 Net Income	\$257,632.34



## **CEO Succession Plan Information**

**The following information is required upon the death, termination of employment, resignation or other departure of the CEO. This information has been prepared and submitted by the CEO.**

**Prepared on August 25, 2014**

**Updated on January 3, 2018**

**Updated on January 14, 2020**

**With board approval, the information in this Plan should be updated by the newly hired permanent CEO within 30 days of hiring in that position, and updated thereafter as needed when there is a significant change in the information.**

### **A. Interim Supervision**

#### **1. Appointment of Interim CEO:**

**[The recommendation about the identity of an Interim CEO should be provided only to the board chair, who may provide that information to the board when it is necessary to implement the appointment of an Interim CEO]**

To facilitate a smooth transition, I recommend the Board appoint an Interim CEO on my departure. I recommend that Nancy Doherty be designated as Interim CEO. She has developed competencies in staff supervision, budget management and planning. If supported by a strong finance/business team and frequent communication with the Chairman and the Executive Committee, I believe she can handle the interim position until a new permanent CEO is employed. In addition, she has earned the respect of other staff.

While current staff can effectively manage the affairs of The Arc during the interim, I recommend the Executive Search process should be started immediately.

#### **2. Volunteer Role in Supervising Interim CEO and Staff during Interim:**

I suggest that the Executive Committee meet initially with the Interim CEO to establish interim expectations and protocols. The Chairman should then meet by telephone or in person with the Interim CEO weekly, face-to-face at least monthly, and be available by telephone in between these scheduled meetings. It is suggested that the Interim CEO attend all Executive Committee meetings.

### **B. Securing the Office Records, codes, files**

## **1. Consideration of the need to conduct an Interim Audit:**

If there is any question of financial impropriety or illegal or unethical behavior attendant to my leaving, I encourage the Board to consider an external examination of The Arc's accounts at the time of my departure to confirm there is no such financial impropriety or illegal or unethical behavior.

## **2. Securing and Transferring the following:**

### **Legal Documents of The Arc of Fort Bend County, specifically including:**

- a. Latest approved Bylaws
- b. Articles of Incorporation (as amended)
- c. Certificate of Incorporation
- d. Certification of Registered Agent
- e. Certification of Comptroller of Public Accounts tax-exemption
- f. Local property tax exemption
- g. IRS exemption approval

All of the above noted records are maintained in digital format on my computer in folders named: "Arc Legal Papers", Board Bylaws, Board Committees/Internal Committee/Real Estate Committee/CAD Listings Excel Spreadsheet

## **3. Signature authority for all accounts:**

The CEO has signature authority over the following accounts:  
Operating, Payroll, Money Market, Fundraising, Credit Card

The CEO, Chairman of the Board, Vice Chairman of the Board and the Treasurer of the Board have signature authority.

The Board or, if necessary, the Executive Committee should take action to approve a corporate resolution to amend the list of authorized signers on all accounts to remove the CEO's name. The Chairman should contact our financial institutions immediately to advise them that the former CEO is no longer empowered to exercise signature authority. Signature cards should be amended as soon as possible. The three board officers should sign checks during the interim.

## **4. Personnel Files**

Only the CEO has access to the Personnel Files, both hard copies and electronic copies. The CEO will give the key to the file cabinet and the password to the electronic files to the Chairman of the Board upon leaving employment.

## **5. Financial and Contracts Files**

All current financial and contract files are maintained by the Administrative Assistant and the Accounts Manager in their electronic files.

## **6. Grant Management Files**

Grant management program files are maintained electronically on my computer: Laura's Files/Grant Info/Grant Proposals file.

## **7. Board Policies**

Board Policies, to include internal control policies, are maintained electronically on my computer: Laura's files/Board Bylaws and Board Committees/Governance/Internal Controls

## **8. Minutes Notebooks and Computer Files**

Electronic copies of all Board and Annual Meeting minutes from 2006 to date are maintained in my computer: Laura's files/Board Agendas & Attachments . Hard copies of the Minutes for each Board and Annual meeting dating back to 2006 are maintained in the Administrative Assistant's file cabinet.

Additionally, the Board packet for every Board meeting since 2006 is maintained for reference in the Administrative Assistant's file cabinet. Board packets prior to 2006 are filed in the "Permanent Records" storage area.

## **9. Personnel Policies**

Personnel Policies are maintained electronically on my computer: Laura's files/HR Forms & Evals/Employee Handbook.

## **10. Building Keys**

The CEO and all staff have universal keys that open all exterior doors to the office. Normally, outside doors remain locked from 4:30 p.m. to 8:00 a.m. daily and all day on weekends and holidays.

#### **11. Storage locations and access**

The corporation has a storage space at 119 Brooks. The key is maintained by the Administrative Assistant. The Corporation also uses the garage at 3003 Gilmar as an off-site, non-climate-controlled storage space. The garage code is 1962.

#### **12. Computer Codes/Passwords**

The CEO's computer files: There is a file entitled Log-ins which has all passwords. This file is password protected. The password will be given to the Chairman upon leaving employment.

Note: These passwords need to be reviewed and changed if necessary.

**13. Safe Combination:** to be given to the Chairman upon leaving employment

#### **14. Credit Cards:**

The three program directors and CEO have credit cards. The credit card account, [www.myaccountaccess.com](http://www.myaccountaccess.com) has all cardholders listed. The password is in the Log-in file.

Credit card expenses should be monitored closely in the interim period.

#### **C. Secure from the CEO:**

##### **Clear out the CEO's personal effects and hard/soft copy files**

The CEO maintains a limited amount of personal material on her computer. This material should be copied and given to her, or her immediate next of kin if the CEO is not able to receive this material.

The CEO's personal effects include: Personal Files on computer.

#### **D. Notifications:**

##### **1. Notification to:**

- The Arc of the United States
- The Arc of Texas
- National Conference of Executives of The Arc

- Other community organizations: Sugar Land Rotary
- Board and Committee chairs

## **2. Notification to Boards, Advisory Committees, Coalitions on which the CEO was serving:**

**Fort Bend County Transit "Appeals Committee"**

### **E. Recruitment of Permanent CEO**

Some general suggestions for a "profile" of the CEO position:

1. Vision - the ability to see where the organization may go and to move it from good to great (see Jim Collins short book: "Good to Great and the Social Sectors");
2. A passion for the mission of our nonprofit corporation;
3. A demonstrated ability to represent an organization similar to our nonprofit corporation in its mission;
4. A demonstrated ability to work with volunteers on the board of directors within the boundaries of the governance and management relationship, and respect those boundaries;
5. A demonstrated ability to work with stakeholders in the organization's mission and plans;
6. A demonstrated ability to understand and operate a business as a manager, specifically including business planning, budgets, revenues and expenses, and prioritizing the use of revenues and resources;
7. General knowledge of nonprofit law and rules, including IRS rules, i.e., how nonprofits work and the distinctions between a nonprofit and a for-profit in terms of the laws and rules;
8. General knowledge of business and charitable donation development, including fundraising methods and sources, and accountability to grant makers and donors under contracts or conditions in grants and donations;
9. A demonstrated ability to delegate complex tasks to staff and supervise the timely and successful completion of those tasks; and
10. A demonstrated ability to hire, critically evaluate and, when necessary, fire staff.

The CEO must be able to multi-task and to adapt rapidly to changing environments. It is easy to get consumed in the day-to-day business of the organization. Look for someone who can take – and help the Board take – the "10,000 foot view" of events molding and shaping the field.

## **F. Recommended Recruitment Sources**

- The Arc of the United States
- National Conference of Executives of The Arc
- Fort Bend County "Leaders' Circle"
- Kennedy Foundation
- Human Services Research Institute
- President's Committee on Intellectual and Developmental Disabilities
- American Association on Intellectual and Developmental Disabilities
- Texas Council of Community MHMR Centers
- Private Providers Association of Texas
- Texas Department of Aging and Disability Services
- Texas Health and Human Services Commission
- United Way Employment Site
- \_\_\_\_\_
- \_\_\_\_\_
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## **G. Contract**

Use the CEO's contract as a starting point, amend/update the document to reflect current law and best practices, and make a written employment contract with the permanent CEO.

## **H. Salary**

The National Conference of Executives of The Arc (NCEArc) periodically conducts a study of local and state CEO's salaries and benefits. Obtain a copy of this report via NCE. This position includes the following basic responsibilities: See CEO Job Description.

**THE ARC OF FORT BEND COUNTY**  
**CEO CANDIDATE SEARCH POLICY**

**Adopted on July 27, 2015**

**Purpose:**

Article X, Section 1 of the Bylaws states, in part, that "The Board may employ a CEO, establish the duties of the position and fix the salary". The purpose of this policy is to establish the process which the Board of Directors will use to search for and employ a CEO when that position becomes vacant or the Board knows the position may become vacant.

**CEO Search Committee:**

The search for qualified and suitable CEO candidates shall be done by a CEO Search Committee created by the Board of Directors as an ad hoc committee.

The CEO Search Committee shall be created by a resolution adopted by the Board of Directors, and shall consist of not less than five nor more than nine voting members, preferably with an uneven number of voting members. The Board shall designate one of the members of that committee to be its chair, and one to be its vice-chair, responsible for documenting the progress of its work and making periodic reports to the Board of Directors.

The current Chairman of the Board of Directors shall be an ex officio or non-voting member of the committee, and may attend its meetings and participate in its work, including its screening of and interviewing of candidates.

The CEO Search Committee and its members serve at the pleasure of the Board of Directors and may be dismissed at any time.

**Confidentiality:**

All deliberations and work of the CEO Search Committee shall be confidential.

The chair of the Committee or, in the absence of the chair, the vice-chair of the committee, shall be the sole “voice” of the Committee for purposes of making reports and recommendations to the Board of Directors. The members of the CEO Search Committee shall not communicate information about its work or progress to anyone other than the Board of Directors or its Chairman.

The Board of Directors may enforce the confidentiality of the search process by appropriate action, including without limitation, the removal of one or more members from the committee, or the dismissal of the committee.

### **Budget:**

In its resolution creating the CEO Search Committee, the Board of Directors shall establish a budget for the committee to be used for the necessary expenses it may incur in the search process, including without limitation, recruitment advertising expense, search consultant fees, appropriate travel for committee members or candidates, background checks, and other expenses necessary to conduct an effective search and make reports to the Board of Directors.

The budget approved by the Board of Directors will govern the level of expenses the CEO Search Committee may incur, and the appropriateness of Committee expenses.

Because the search may be a nationwide search, the budget should be adequate to cover the expenses expected in such a search. Periodically, the chair of the Committee or, in the absence of the chair, the vice-chair of the Committee, shall report to the Board of Directors about the expenditures made out of the Committee’s budget and, if necessary, request additional funds for that budget.

### **Scope of Committee’s Responsibilities and Process:**

In doing its work, the CEO Search Committee shall consider the information about the position established by the Board of Directors, including without limitation, the job description, “profile” of the desired candidate, proposed employment contract, the terms and conditions of that contract, and levels of salary and benefits.



The CEO Search Committee may interview any candidate it believes may be qualified and suitable for the position, and shall confirm to all candidates that the employment decision shall be made by the Board of Directors.

The CEO Search Committee shall make a final report to the Board of Directors that may recommend a single candidate for the position or may identify qualified and suitable candidates for the position without making a recommendation among them.

The Board of Directors may refuse to accept the recommendation or the candidates identified by the CEO Search Committee, may ask the committee to continue its work or provide more information on the candidates, or may dismiss the committee.

**Employment Decision:**

The decision about an offer of employment to a CEO candidate shall be made by the Board of Directors and not delegated to a committee or other group.

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**THE ARC OF FORT BEND COUNTY  
CEO SEARCH TIPS**

**(To Be Used by the Board Chair  
and by the Search Committee Chair)**

**Issue Date: July 27, 2015**

**I. Forming the Search Committee; Confidentiality; Reports, and Recommendation**

1. Request Board approval for CEO Search Committee, between 5 and 9 members, preferably an odd number, with designated chair and vice-chair responsible for work of the committee, including periodic reports to and final recommendation to the Board.
2. All Committee discussions and identity of candidates must remain confidential. Gossip and rumors can destroy the credibility and the legitimacy of this process. At the organizational meeting of the Committee, make the Committee members understand the need for confidentiality, and make a "contract" or pledge with each other not to breach confidentiality or in any way to claim to speak for the Committee about the status of the search process.
3. Remember the decision on who to hire as the CEO belongs to the Board, but must be based on thorough Committee research and a well-thought-out recommendation. While the ideas of The Arc's members must be welcomed and considered on the needs of The Arc and the skills and experiences sought in the CEO, i.e., contributing to filling out a "profile" of the desired CEO, The Arc's members should not be asked for their votes on or given veto power over the candidate recommended by the Committee to the Board.
4. The exchange of information between members of the Committee and members of The Arc must be a "one-way street", with members of the Committee gathering the thoughts of the members including Board members, but not providing information back about what the Committee has done, is doing, or may do. The Committee chair is the only "voice" for the Committee in reports to the Board, and other Committee members do not have authority to speak for the Committee.
5. The decision whether to provide updates to The Arc's membership about the status of the search is made by the Board Chair acting for the Board, not by the Committee, and certainly not by a Committee member breaching the confidentiality of this process.

## **II. Doing Some Homework**

If the Board chair and search committee chair lack experience in searching for a CEO candidate for a nonprofit corporation, homework is recommended. There is a great deal of material on the web on this topic.

Begin by reviewing the following BoardSource publications:

- Chief Executive Transitions: How to Hire and Support a Nonprofit CEO, by Don Tebbe, published in 2008;
- Nonprofit Executive Compensation: Planning, Performance and Pay, by Brian Vogel and Charles Quatt, published in 2010; and
- Chief Executive Succession Planning: Essential Guidance for Boards and CEOs, by Nancy R. Axelrod, published in 2010.

BoardSource may have an online or e-book version of these publications that may be searched for online. These volumes have appendices with sample checklists, form agreements and compensation information. Talk with someone with experience in nonprofit CEO candidate searches.

## **III. Initial Research on a Possible Compensation Range**

This information should be researched at the beginning of the search process, particularly if it is decided to include a possible salary range in recruiting advertisements, or for expense budget planning. Ultimately, the compensation package approved by the Board must be adequate to attract and retain a permanent chief executive officer who is competent to perform the job. The time and resources spent on a thorough CEO candidate search will be wasted, and will likely have to be repeated again soon, if the compensation package is not adequate to attract and retain a permanent chief executive officer qualified and suitable for this position in this organization.

The web or local sources may be searched for information about typical compensation packages in our area for a similar position. One good source for comparable data is GuideStar's Executive Compensation Report, published annually, from which the Committee may excerpt the data for nonprofit executive compensation for organizations in this geographic area for a similar position in organizations with similar annual expense budgets. **Additionally, the search committee can access several local non-profit organizations at GuideStar on-line and note the CEO's salary.**

The Internal Revenue Service monitors nonprofit executive compensation through the IRS Form 990 informational report which nonprofits annually file with the IRS. The benchmark for nonprofit executive compensation is that it should be reasonable, and the recommended yardstick for measuring presumptive reasonableness is comparable data about compensation paid to similar executives of nonprofits in the same geographic area in organizations with about the same size

annual expense budget.

The purpose of a review of comparable data is twofold: to ensure the executive's compensation is presumptively reasonable, and to assure the IRS that comparable data was used to determine the presumptive reasonableness of executive compensation. If the Committee is not familiar with the IRS rules and limitations on nonprofit executive compensation, someone who has experience with such rules and limitations should be consulted.

#### IV. Gather Information About the Job; Prepare the Ad

Using the current or a revised job description for the position and a "profile" of the desired candidate approved by the Board, the Committee should determine an appropriate range of salary and scope of benefits, but consider not including the salary range in the ad postings. Instead, the Committee may withhold that information for the in-person interviews of the final candidates, and place wording such as "Compensation will be highly competitive and commensurate with experience" in the recruiting advertising. An example ad template is included in Section IX, Form 1, below.

#### V. Where to Search and Post the Ad

The Committee should start with the information learned during the homework described above about places for effective ad postings. Consider also:

- The Texas Society of Association Executives (TSAE),
- The local United Way website job postings,
- National websites that accept nonprofit job listings,
- Nonprofitjobs.org,
- execSearches.com,
- oyster.com, and
- charitychannel.com.

Post the position under "Employment" on our website. Consider local media listing, but remember we are looking for people with specific skills and work and life experiences demonstrating an ability to do this job. A general population posting may be a waste of time and money when a targeted posting is really needed, not to mention that it would likely result in a high volume of unqualified applicants complicating the screening process.

*VI. Patience; Create "Profile"; Screening Process; Telephone Interviews; Background Checks; In-Person Interviews; Search Consultant*

1. Expect initial wait on getting postings made and receipt of resumes to be as much as three to four months. Do not rush a decision based on the first few resumes, especially if they are from candidates who know the Committee members or Board members. Don't play favorites with candidates recommended by influential Committee or Board members or community supporters. The recommendation about a candidate belongs to the entire Committee, not to individuals who don't want to follow this process but instead want to control the outcome. Give the process time to work. Most good CEO candidates are hired out of a search process requiring as much as six months to complete.
2. Establish the Committee process for reviewing the Board's "profile" of the desired candidate, or if the Board has delegated that matter to the Committee, for creating a list of criteria or qualities as the agreed basis for screening resumes; i.e., the "profile" of the desired CEO based on objective criteria and not slanted to a particular candidate. Don't write the "profile" using information about a specific candidate. Use the same "profile" and job description to screen all resumes. If the Committee later changes the criteria in the "profile" or job description, they should consider re-screening all rejected resumes using the new "profile" or new job description.
3. The Committee should delegate responsibilities among Committee teams for screening resumes and identifying candidates for a telephone interview. Consider an "A-B-C triage", under which each Committee team uses the job description and profile to divide all resumes into those clearly not qualified ("C"), those who may get a second look later ("B"), and those who will be considered for a telephone interview if the entire Committee agrees after review ("A"). The entire Committee should narrow the list to about 10 to 12 candidates for telephone interviews. Use the same Committee-approved list of telephone questions for each candidate chosen for such an interview. See Section IX, Form 4 (below) for a sample telephone interview script/questions. Follow with Committee review and discussion about the results of the telephone interviews, and identify the top 3 to 5 candidates for an in-person interview by entire Committee.
4. Do background checks in accordance with the guidelines of Section VII which follows.
5. Consider whether the Committee will pay travel and hotel for distant candidates.

6. Follow with in-person interviews but be willing to reject all candidates if none are qualified.

7. If a six month or more search is not successful, the Committee should consider engaging the services of professional executive search consultant and request a budget from the Board for the consultant's fee and expenses.

### VII. Background Investigations of Candidates

Obviously, the Committee should conduct background investigations on candidates for the CEO position. However, that process can be a legal and procedural "mine field" and must be managed properly to avoid adversely affecting protected individuals or groups.

The Committee must obtain written consent before conducting any background check, including simple reference checks. The federal Fair Credit Reporting Act (FCRA) requires this for any consumer or investigative consumer report obtained from third party consumer reporting agencies in conjunction with hiring activities. Even when all pre-employment screening is handled internally, an explicit written authorization helps protect against invasion of privacy, defamation, and other tort (wrongful act) claims. See an appropriate release form in Section IX Form 3 that follows.

In addition to the non-discrimination provisions of the FCRA, employers are also required to comply with requirements of appropriate notice to candidates who are affected by an adverse decision by the Committee based on the results of a background investigation obtained through a company in the business of compiling background information. The FCRA dictates the forms that must be utilized for this purpose.

The Committee should perform background checks as one of the last steps in the selection process. There is no need to spend the time and money, or to incur the legal exposure, for background checks on anyone who does not make it to the final round of consideration.

The background investigation should be relevant to the position in question. Because the CEO will have access to agency accounts and may handle money, a credit check should be conducted. Similarly, because the Director will be a potential driver on The Arc business, a motor vehicle records check should be completed.

The CEO is in a "position of confidence", which necessitates a criminal conviction check be included. This check should cover each jurisdiction where the candidate has lived. The Committee should indicate that a criminal conviction does not automatically disqualify the applicant from consideration. This statement shows that our policy is not intended to screen out individuals solely based on the conviction. Arrest records and dismissed cases are not to be considered since most states and the EEOC prohibit these checks.

The results of the background investigations must be evaluated fairly and consistently. "Knee jerk" reactions should be avoided when negative information surfaces. To comply with the EEOC's restrictions, the Committee should consider refusing to hire an applicant based on a criminal conviction only where there is a direct relationship between the offense and the position sought, and no mitigating factors are present.

However, the Committee must also be aware that if it adopts the EEOC's position, it may be vulnerable to negligent hiring claims which often assign liability if employers knew, or should have known, about a potential threat to others. The risks of defending a discrimination claim should be weighed carefully against a potential negligent hiring claim.

And finally, the information obtained in background checks must be restricted only to those on a strict "need to know" basis, and be kept in confidential files. For example, someone who refers a candidate must not be told the details of that person's background check results if that candidate is rejected.

#### *VIII. Recommendation; Terms of Employment*

The Committee must invite the Board Chair to interview the final candidate(s) before making a recommendation to the Board. Make a final report and recommendation to the Board in closed session, including a recommendation about proposed salary the candidate(s) agreed to accept.

Candidate(s) should not attend this Board meeting. If the Board approves, prepare the terms of the written employment offer letter to be signed by the candidate as the formal offer of employment confirming the terms and start date of employment.

### *IX. Forms Enclosed*

Based on its homework and experience, the Committee should create its own materials, or modify the following documents to fit their needs.



## Form 1 – Example of Recruitment Advertising

### **CEO**

---

The Arc of Fort Bend County is seeking a CEO.

Founded in 1968 by parents who wanted to improve the lives of their children who had developmental disabilities, The Arc of Fort Bend County is a “grass roots” advocacy organization. Our mission is to ensure opportunities for people with intellectual and related developmental disabilities to maximize their quality of life within our community.

The CEO is responsible to the Board of Directors for achieving Operating Plan Results through the day to day management of operations, programs and staff. The CEO is the primary voice and representative to constituencies within the communities we serve.

This position requires: proven ability to work harmoniously with stakeholders; solid background in planning and executing budgets; creative problem solver; decisive leader; experience supervising people and the ability to delegate and trust others; persuasive communicator with well-developed written, oral and public speaking skills; proven success in fundraising/grant requests. Bachelor’s degree in Social Services required, Masters preferred. Experience may substitute for degree requirement.

The Arc of Fort Bend County offers competitive compensation and an excellent benefits package including medical and dental insurance, retirement plan and generous time off policy.

Qualified applicants should send their resume with salary requirements to: [e-mail address] or fax to [fax number] – [do not use the organization’s e-mail or fax available to staff and potential candidates; use a fax accessible only by the search committee’s primary screener or chair, or set up a separate e-mail or fax]. Questions regarding the position should be directed to [name of Chair of the Search Committee] at [phone number] (leave message for a return call).

For more information about our amazing organization, please check us out at [www.arcoffortbend.org](http://www.arcoffortbend.org)

## Form 2 - Desired Competencies

Some general suggestions for a “profile” of the CEO position, in no particular order:

1. A demonstrated ability to delegate complex tasks to staff and supervise the timely and successful completion of those tasks;
2. A demonstrated ability to hire, critically evaluate and, when necessary, fire staff;
3. A demonstrated ability to represent an organization similar to our nonprofit corporation in its mission;
4. A demonstrated ability to work with volunteers on the board of directors within the boundaries of the governance and management relationship, and respect those boundaries;
5. A demonstrated ability to work with stakeholders in the organization’s mission and plans;
6. A demonstrated ability to understand and operate a business as a manager, specifically including business planning, budgets, revenues and expenses, and prioritizing the use of revenues and resources;
7. General knowledge of nonprofit law and rules, including IRS rules, i.e., how nonprofits work and the distinctions between a nonprofit and a for-profit in terms of the laws and rules;
8. General knowledge of business and charitable donation development, including fundraising methods and sources, and accountability to grant makers and donors under contracts or conditions in grants and donations;
9. A passion for the mission of our nonprofit corporation; and
10. The “vision thing”, i.e., the ability to see where the organization may go and to move it from good to great (see Jim Collins short book: “Good to Great and the Social Sectors”).

### Form 3 – Sample Applicant Authorization and Release Form

APPLICANTS: THIS SECTION MUST BE READ BEFORE YOU ANSWER THE NEXT QUESTION.

Note: A background investigation will be conducted prior to employment. Have you ever pled guilty, no contest or been convicted of a misdemeanor or a felony by a civilian or military court or participated in deferred adjudication, parole or probation (excluding traffic tickets)?

Your conviction records will not automatically eliminate you from consideration for employment. (Factors such as type of event, when it occurred, and how it relates to the job being sought will be considered.)

Yes    No

If you answered "Yes," to the previous question, please explain. Please describe each offense and list the approximate date(s), city and state in which the offense(s) occurred.

#### PRE-EMPLOYMENT STATEMENT (Please read before signing)

Read the following consent agreement carefully.

1) Release and Disclosure of Information: As an applicant for a position with The Arc of Fort Bend County, I have been requested to furnish information for use in determining my qualifications and suitability for employment. In this connection, I do hereby authorize the release and full disclosure of any information that you may have concerning my employment with your company. I hereby release any former or current employer, its employees, and anyone acting on former or current employer's behalf from any and all claims, actions, liability and /or damage of any nature which may result from furnishing the information requested, including, but not limited to, claims of negligence. I authorize you to release this information to those employees and agents of The Arc of Fort Bend County who require such information in order to make a decision with respect to any matter pertaining to my status as an employee or potential employee.

2) Drug Screening: I understand that I will be required to submit to a drug screen in order to be considered for employment by The Arc of Fort Bend County, and understand that my refusal to complete the screening will disqualify me as a candidate for employment. Detection of the illegal use of banned or controlled substances during this screening will disqualify me for employment with The Arc of Fort Bend County.

3) Physical: I understand that if I am offered employment in certain positions with The Arc of Fort Bend County, I may be subject to a physical examination in which my ability to perform the essential requirements of the job must be determined to be satisfactory to the organization. My refusal to submit to a physical examination may disqualify me as a candidate for employment.

4) Motor Vehicle Report: I understand that certain positions require driving a vehicle owned by The Arc of Fort Bend County or my personal vehicle on Arc business, and as a condition of employment, I authorize The Arc of Fort Bend County to obtain a Motor Vehicle Report (MVR). I also understand that if I will be authorized to drive a vehicle on The Arc business, I must provide proof of auto liability insurance and a copy of my valid driver's license prior to being allowed to drive on The Arc business.

5) Employment Eligibility: I understand that if I am employed, satisfactory proof of employment authorization and identity is required within three days of being hired. I understand that The Arc of Fort Bend County does not sponsor special visa petitions. (A list of acceptable documents for eligibility verification is available upon request.) I understand that I may also be required to provide copies of any applicable licenses, certifications, and/or diplomas. Failure to submit such proof within the required time shall result in immediate employment termination.

6) Employment at Will: Texas is an employment-at-will state. I understand if I am offered and accept employment with The Arc of Fort Bend County, I have the right to terminate my employment at any time. The Arc of Fort Bend County retains the same right to terminate my employment at any time, with or without notice, for any legal reason or no reason, regardless of any other documents, oral or written statements issued by The Arc of Fort Bend County or its representative.

I understand that misrepresentation, falsification, or omission of facts called for within this application will be sufficient cause for cancellation of employment consideration or termination from employment with The Arc of Fort Bend County, regardless of when the omission, misrepresentation or falsification is discovered.

I have read and understand all of the above, and accept the terms of this consent agreement by signing below.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Date)

## Form 4 – Sample Script for Telephone Interview

Tell me about yourself.

What do you know about The Arc of Fort Bend County?

What do you know about this County and our area?

What kind of position are you looking for?

Tell me what you've learned in your research of this position.

This is not an 8-5 position. There are many evening meetings and commitments. Tell me about your experiences working in positions with similar schedules and commitments.

Tell me about your relevant experience.

Describe other experience you have working with non-profit organizations.

Describe your experience working with community agencies.

Describe your experience working with families, parents and guardians.

Describe your experience working with a board of directors in a not-for-profit organization.

How do you feel a not-for-profit board should govern?

Describe your management experience.

How do you view the broader community? Give me examples of how you've worked towards coordination, integration, and interaction?

What kind of financial authority have you had in the past—buying and paying?

Give me some examples of your experience with strategic and long range planning?

Why did you leave your last position or why are you looking?

References we could call now? What will they tell us about you?

Compensation expectations and requirements? Be specific.

What obstacles (relocation, commute, etc.) do you have to the location of The Arc of Fort Bend County's offices in Sugar Land, Texas?

Availability for interview?

Availability for hire?

Form 5 – Example Offer Letter Template Employment Agreement]

*[Put on The Arc letterhead after Board receives and acts on final Committee report and recommendation; original signed offer letter should be kept in CEO's personnel file, but because new CEO will have access to all employee files, a duplicate signed original must be retained by the Board Chair in a separate file where all the new CEO's records like the background check and references check are kept]*

[Date]

[Name and Address]

Dear [First Name]:

On behalf of the Board of Directors of The Arc of Fort Bend County, I am pleased to offer you the position of CEO of our organization.

You will report to the Board of Directors and perform your duties under the direction of the Board through its Chairman, and under the terms and conditions of the Employee Handbook, the Bylaws, and the Code of Ethics.

You will be paid a starting base salary of [Bi-Monthly Pay Amount] bi-monthly which annualizes to a rate of [Annual Salary Amount] per year. (24 pay periods on the 15<sup>th</sup> and 30<sup>th</sup> of each month X bi-monthly pay amount = annual salary).

Assuming it is acceptable to you, your start date is scheduled to be [Day and Date of Desired Start Date].

You will be eligible for [types of benefit programs offered, i.e. medical, dental, vision, life, AD&D, and disability insurance]. More detailed information about each of the plans and the employee premiums are available from [names of providers].

The Arc of Fort Bend County performs background checks, verifications, and investigations (including, but not limited to, obtainment of an investigative consumer report, criminal background check, motor vehicle records, verification of education, professional references and previous employment, etc.) to determine the suitability for employment of all new hires. This offer is contingent upon our assessment of the results of this process, even if it may occur after your employment date. You have already completed the necessary documentation to authorize this process.



All employees at The Arc of Fort Bend County must submit to a pre-employment drug screening as a condition of employment. If you accept this offer of employment, you will be contacted to arrange to have the testing done at a location and time convenient to you. This offer of employment is contingent upon our receipt of satisfactory results of that drug testing.

Your employment with The Arc of Fort Bend County will be for an indefinite term and on an at-will basis. This means that either you or The Arc of Fort Bend County may terminate the employment relationship at any time, for any reason or for no reason, with or without cause, and with or without prior notice.

You have represented to us that there is no contractual, non-competition, or other legal impediment to your employment by The Arc of Fort Bend County. This offer of employment is dependent on, and in reliance upon your representation.

We want to inform you not to use any proprietary information that you, or any people that provided you with such information, are contractually restricted from using. Please contact me if you have any questions about information that may be of that nature or subject to restrictive covenants.

In compliance with the Immigration Reform and Control Act of 1986 (IRCA), each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility (attached is a copy of the Form I-9 detailing the various combinations of documents that will satisfy the IRCA provisions). We would prefer that you bring these documents (originals are required, not copies) with you to Employee Orientation on your first workday; however the law allows that this be done within the first three days of employment. If the required documents are not presented within this time frame, you will not be able to commence or continue employment with The Arc of Fort Bend County.

If you accept this offer of employment, you acknowledge receipt of a copy of the CEO Job Description approved by the Board, the Personnel Policies adopted by the Board, Employee Handbook, the Bylaws of the organization, and the Code of Ethics. You and I have discussed these documents and you agree that you have been offered an opportunity to explore any questions that you may have after those discussions.

[First name], we are thrilled to have you join us! It is a great opportunity for you to make a difference with a very dynamic organization. I think you will find it exciting and challenging, as well as an enhancement to your career. I am looking forward to working with you.

We need this letter to be executed in triplicate. Please sign three copies of this letter indicating your acceptance and return two to me. You may keep the other copy for your records.

Sincerely,

Agreed and Accepted on \_\_\_\_\_  
[Date]

\_\_\_\_\_  
Chairman of the  
Board of Directors  
The Arc of Fort Bend County

\_\_\_\_\_  
[Full Name]

# The Arc of Ft. Bend County Balance Sheet

As of December 31, 2019

Dec 31, 19

## ASSETS

### Current Assets

#### Checking/Savings

##### Cash

Credit Card Account	4,311.90
Fundraising (WD)	21,841.81
Money Market	91,697.92
Operating Account	90,733.10
Payroll Account	27,124.65
Facilities Reserve contra	-72,000.00

Total Cash 163,709.38

Total Checking/Savings 163,709.38

#### Other Current Assets

##### Prepaid Insurance

Crime	112.75
Cyber Liability	1,100.00
Auto	4,818.08
D&O	3,124.00
Umbrella	1,644.50
Professional Liability	6,234.25
Property	32,880.91
Worker's Comp	1,542.70

Total Prepaid Insurance 51,457.19

Total Other Current Assets 51,457.19

Total Current Assets 215,166.57

### Fixed Assets

Building-Commercial Property	1,195,871.59
Improvements-Commercial Propert	912,294.20
Building - Homes	2,326,047.15
Improvements-Homes	336,088.10
Land	810,768.00
Leasehold Improvemnt.123 Brooks	9,062.00
Office Equipment	5,324.02
Furniture and Fixtures	6,720.00
Computer Equipment	15,757.00
Automotive	76,832.44
Accumulated Depreciation	-1,886,889.66

Total Fixed Assets 3,807,874.84

### Other Assets

Trans to Foundation to invest	74,448.00
Facilities Reserve for Repairs	72,000.00
Escrow - Rychlik Job Services	2,500.00
Earnest Money	1,000.00

Total Other Assets 149,948.00

TOTAL ASSETS 4,172,989.41

# The Arc of Ft. Bend County Balance Sheet

As of December 31, 2019

Dec 31, 19

## LIABILITIES & EQUITY

### Liabilities

#### Current Liabilities

##### Accounts Payable

Accounts Payable-ARC -1,033.40

Total Accounts Payable -1,033.40

##### Other Current Liabilities

Taxes Payable-Fed W/H 1,680.28

Taxes Payable-FICA -812.76

Taxes Payable-Medicare -190.04

Taxes Payable-SUTA -415.88

Total Other Current Liabilities 261.60

Total Current Liabilities -771.80

#### Long Term Liabilities

N/P-ARC Fdn (Worley Dr) 223,237.52

Security Deposits Payable 20,375.00

N/P-ARC Fdn (6419 Brazos Glen) 92,171.90

N/P-ARC Fdn (Chapman Falls) 62,501.59

N/P-ARC Fdn (5141 Cotter Ln) 88,551.79

N/P-ARC Fdn (2715 Cypress Impr) 247,606.06

N/P-ARC Fdn (Manorfield) 129,279.75

N/P-ARC Fdn (Rustic Trail) 136,736.88

N/P-ARC Fdn (5618 Wagon Wheel) 112,347.67

N/P-ARC Fdn (Whispering Creek) 241,125.31

N/P-ARC Fdn(2607 WillowSprings) 126,306.35

Total Long Term Liabilities 1,480,239.82

Total Liabilities 1,479,468.02

### Equity

Unrestricted Net Assets 2,691,740.33

Net Income 1,781.06

Total Equity 2,693,521.39

**TOTAL LIABILITIES & EQUITY 4,172,989.41**

**The Arc of Ft. Bend County**  
**Profit & Loss Budget Performance**  
**December 2019**

	<u>Dec 19</u>	<u>Jan - Dec 19</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Annual Budget</u>
<b>Ordinary Income/Expense</b>						
<b>Income</b>						
Facilities Other Income	0.00	1,745.00				
Ride fee	300.00	3,347.43	3,000.00	347.43	111.58%	3,000.00
Youth Respite	230.00	1,470.00	450.00	1,020.00	326.67%	450.00
Riveredge Mortgage Payment	0.00	1,036.04	1,036.00	0.04	100.0%	1,036.00
Bowling - Lane Fee Income	739.00	6,725.00	7,296.00	-571.00	92.17%	7,296.00
Donations & Contributions	3,057.70	25,691.06	20,000.00	5,691.06	128.46%	20,000.00
Donations - Designated	100.00	17,701.46	1,570.00	16,131.46	1,127.48%	1,570.00
Fundraising Event	36,179.32	377,093.64	315,000.00	62,093.64	119.71%	315,000.00
Grant - CDBG Fort Bend	918.00	33,868.49	34,000.00	-131.51	99.61%	34,000.00
Grant - FBJSL	10,000.00	10,000.00	10,000.00	0.00	100.0%	10,000.00
Grants - Other	0.00	12,500.00	80,000.00	-67,500.00	15.63%	80,000.00
Membership Revenue	345.00	8,482.37	10,000.00	-1,517.63	84.82%	10,000.00
Rental Income	21,800.00	451,480.00	432,600.00	18,880.00	104.36%	432,600.00
Social Rec Fees	913.99	13,636.75	14,000.00	-363.25	97.41%	14,000.00
<b>Total Income</b>	<b>74,583.01</b>	<b>964,777.24</b>	<b>928,952.00</b>	<b>35,825.24</b>	<b>103.86%</b>	<b>928,952.00</b>
<b>Gross Profit</b>	<b>74,583.01</b>	<b>964,777.24</b>	<b>928,952.00</b>	<b>35,825.24</b>	<b>103.86%</b>	<b>928,952.00</b>
<b>Expense</b>						
Auto / Vans - Repairs & Maint.	0.00	2,163.14	1,200.00	963.14	180.26%	1,200.00
<b>Advocacy in Action</b>						
Information / Referral	283.78	612.20	600.00	12.20	102.03%	600.00
Educational Advocacy	0.00	117.83	160.00	-42.17	73.64%	160.00
Advocacy in Action - Other	4,243.75	18,631.37	4,700.00	13,931.37	396.41%	4,700.00
<b>Total Advocacy in Action</b>	<b>4,527.53</b>	<b>19,361.40</b>	<b>5,460.00</b>	<b>13,901.40</b>	<b>354.6%</b>	<b>5,460.00</b>
Accounting, Audit, Payroll	7,700.00	14,199.84	15,470.00	-1,270.16	91.79%	15,470.00
Advertising & Marketing	53.30	1,517.10	840.00	677.10	180.61%	840.00
Affiliation/Asso/Mbrship/Certs	502.80	5,593.80	4,278.00	1,315.80	130.76%	4,278.00
Bank & CC Charges	989.04	5,524.63	4,400.00	1,124.63	125.56%	4,400.00
Board Expenses	0.00	1,515.38	1,400.00	115.38	108.24%	1,400.00
Community Outreach	0.00	3,350.26	3,500.00	-149.74	95.72%	3,500.00
Conferences	0.00	538.87	1,345.00	-806.13	40.07%	1,345.00

**The Arc of Ft. Bend County**  
**Profit & Loss Budget Performance**  
**December 2019**

	<b>Dec 19</b>	<b>Jan - Dec 19</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
Continuing Education/Staff Dev	0.00	85.00	500.00	-415.00	17.0%	500.00
<b>Employee Expenses</b>						
Employee Salaries	34,228.56	352,229.15	347,313.00	4,916.15	101.42%	347,313.00
Employee-FICA	1,792.47	21,414.56	26,110.00	-4,695.44	82.02%	26,110.00
Employee-Health/Dental	12,009.05	66,422.84	57,656.04	8,766.80	115.21%	57,656.04
Employee-Medicare	419.21	5,008.23				
Employee-Retirement Plan	6,380.76	6,380.76	6,826.00	-445.24	93.48%	6,826.00
Employee-SUTA	0.00	354.58	4,644.00	-4,289.42	7.64%	4,644.00
Mileage Reimbursement	947.01	1,542.44	1,950.00	-407.56	79.1%	1,950.00
Employee Expenses - Other	0.00	84.99				
<b>Total Employee Expenses</b>	<b>55,777.06</b>	<b>453,437.55</b>	<b>444,499.04</b>	<b>8,938.51</b>	<b>102.01%</b>	<b>444,499.04</b>
<b>Event Expenses</b>	<b>2,768.14</b>	<b>42,710.73</b>	<b>38,800.00</b>	<b>3,910.73</b>	<b>110.08%</b>	<b>38,800.00</b>
<b>Facilities HOA Fees</b>	<b>35.00</b>	<b>12,818.32</b>	<b>12,410.00</b>	<b>408.32</b>	<b>103.29%</b>	<b>12,410.00</b>
<b>Facilities Inspection/Appraisal</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.0%</b>	<b>0.00</b>
<b>Facilities (Other)</b>	<b>0.00</b>	<b>118.17</b>				
<b>Facilities Prop Mgmt Fees</b>	<b>1,300.00</b>	<b>15,600.00</b>	<b>15,600.00</b>	<b>0.00</b>	<b>100.0%</b>	<b>15,600.00</b>
<b>Facilities R&amp;M / Improvements</b>	<b>7,762.87</b>	<b>59,072.24</b>	<b>30,480.00</b>	<b>28,592.24</b>	<b>193.81%</b>	<b>30,480.00</b>
<b>Facilities Utilities</b>	<b>0.00</b>	<b>104.50</b>				
<b>Insurance</b>						
Crime	0.00	0.00	123.00	-123.00	0.0%	123.00
Workers Comp	0.00	-1,132.00	1,132.00	-2,264.00	-100.0%	1,132.00
Property	0.00	198.00	35,870.00	-35,672.00	0.55%	35,870.00
Cyber Liability	0.00	0.00	1,200.00	-1,200.00	0.0%	1,200.00
Auto	0.00	0.00	5,256.00	-5,256.00	0.0%	5,256.00
Professional Liability	0.00	0.00	6,405.00	-6,405.00	0.0%	6,405.00
D&O / Fiduciary	0.00	0.00	3,408.00	-3,408.00	0.0%	3,408.00
Umbrella	0.00	0.00	1,794.00	-1,794.00	0.0%	1,794.00
Insurance - Other	0.00	56,710.00				
<b>Total Insurance</b>	<b>0.00</b>	<b>55,776.00</b>	<b>55,188.00</b>	<b>588.00</b>	<b>101.07%</b>	<b>55,188.00</b>
<b>Interest Expense</b>	<b>6,132.47</b>	<b>72,065.65</b>	<b>72,764.28</b>	<b>-698.63</b>	<b>99.04%</b>	<b>72,764.28</b>
<b>Meals &amp; Supplies / Meetings</b>	<b>0.00</b>	<b>253.25</b>	<b>500.00</b>	<b>-246.75</b>	<b>50.65%</b>	<b>500.00</b>
<b>Office</b>						

**The Arc of Ft. Bend County**  
**Profit & Loss Budget Performance**  
**December 2019**

	<b>Dec 19</b>	<b>Jan - Dec 19</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
<b>Website</b>	0.00	1,280.00	700.00	580.00	182.86%	700.00
<b>Cell Phone</b>	445.04	2,339.83	2,958.00	-618.17	79.1%	2,958.00
<b>Computer / Software</b>	99.00	2,491.66	1,200.00	1,291.66	207.64%	1,200.00
<b>Copier Lease</b>	829.00	4,841.66	4,350.00	491.66	111.3%	4,350.00
<b>Repairs &amp; Maintenance</b>	0.00	61,406.52	10,130.00	51,276.52	606.19%	10,130.00
<b>Supplies</b>	198.06	2,931.91	4,300.00	-1,368.09	68.18%	4,300.00
<b>Storage Rental</b>	0.00	2,525.00	2,020.00	505.00	125.0%	2,020.00
<b>Telephone / Internet</b>	572.67	4,506.66	4,291.00	215.66	105.03%	4,291.00
<b>Utilities</b>	155.65	844.65	4,080.00	-3,235.35	20.7%	4,080.00
<b>Office - Other</b>	0.00	1,032.80	240.00	792.80	430.33%	240.00
<b>Total Office</b>	2,299.42	84,200.69	34,269.00	49,931.69	245.71%	34,269.00
<b>PROGRAMS</b>						
<b>PR Youth Respite</b>	452.64	4,839.22	8,859.00	-4,019.78	54.63%	8,859.00
<b>PR Activity/Mtg-Food &amp; Supplies</b>	669.79	4,696.52	12,450.00	-7,753.48	37.72%	12,450.00
<b>PR Athletic Banquet</b>	0.00	5,064.17	5,800.00	-735.83	87.31%	5,800.00
<b>PR Bowling Lane Fees</b>	1,312.50	10,720.50	12,768.00	-2,047.50	83.96%	12,768.00
<b>PR DJ</b>	600.00	2,100.00	3,000.00	-900.00	70.0%	3,000.00
<b>PR Equipment, Shirts, Uniforms</b>	5,702.64	5,842.39	3,550.00	2,292.39	164.57%	3,550.00
<b>PR Fuel</b>	150.83	2,212.03	3,200.00	-987.97	69.13%	3,200.00
<b>PR Game / Registration Fees</b>	125.00	4,180.00	3,000.00	1,180.00	139.33%	3,000.00
<b>PR Hotel</b>	0.00	12,873.40	20,000.00	-7,126.60	64.37%	20,000.00
<b>PR Other Expenses / Gifts</b>	0.00	430.00	750.00	-320.00	57.33%	750.00
<b>PR Parking &amp; Tolls</b>	40.00	338.33	1,450.00	-1,111.67	23.33%	1,450.00
<b>PR Practice Facil. / Lifeguards</b>	0.00	1,967.25	2,600.00	-632.75	75.66%	2,600.00
<b>PR Scholarships</b>	0.00	1,000.00	3,000.00	-2,000.00	33.33%	3,000.00
<b>PR Tickets / Venue Fees</b>	2,550.00	36,344.75	32,000.00	4,344.75	113.58%	32,000.00
<b>PR Training &amp; Background checks</b>	0.00	20.00	200.00	-180.00	10.0%	200.00
<b>PR Transportation</b>	632.50	2,967.44	7,000.00	-4,032.56	42.39%	7,000.00
<b>PR - Twenty Somethings</b>	0.00	1,696.89	2,400.00	-703.11	70.7%	2,400.00
<b>Total PROGRAMS</b>	12,235.90	97,292.89	122,027.00	-24,734.11	79.73%	122,027.00
<b>PR Contract Drivers</b>	1,267.00	13,698.93	20,000.00	-6,301.07	68.5%	20,000.00
<b>Postage and Delivery</b>	230.92	2,036.65	3,200.00	-1,163.35	63.65%	3,200.00

**The Arc of Ft. Bend County**  
**Profit & Loss Budget Performance**  
**December 2019**

	<b>Dec 19</b>	<b>Jan - Dec 19</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>% of Budget</b>	<b>Annual Budget</b>
Printing and Reproduction	0.00	640.00	1,200.00	-560.00	53.33%	1,200.00
Professional Fees - Legal	0.00	0.00	50.00	-50.00	0.0%	50.00
Professional Fees - Other	0.00	0.00	500.00	-500.00	0.0%	500.00
<b>Total Expense</b>	<b>103,581.45</b>	<b>963,674.99</b>	<b>889,880.32</b>	<b>73,794.67</b>	<b>108.29%</b>	<b>889,880.32</b>
<b>Net Ordinary Income</b>	<b>-28,998.44</b>	<b>1,102.25</b>	<b>39,071.68</b>	<b>-37,969.43</b>	<b>2.82%</b>	<b>39,071.68</b>
<b>Other Income/Expense</b>						
Other Income						
Investment Income	6.83	77.08				
Other Income	0.00	649.50				
<b>Total Other Income</b>	<b>6.83</b>	<b>726.58</b>				
Other Expense						
Gain/Loss on Sale of Property	26.88	26.88				
Other Expenses	0.00	20.89				
<b>Total Other Expense</b>	<b>26.88</b>	<b>47.77</b>				
<b>Net Other Income</b>	<b>-20.05</b>	<b>678.81</b>				
<b>Net Income</b>	<b>-29,018.49</b>	<b>1,781.06</b>	<b>39,071.68</b>	<b>-37,290.62</b>	<b>4.56%</b>	<b>39,071.68</b>



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

**FINANCIAL STATEMENTS**

**December 31, 2018**

**along with**

**Accountant's Review Report**

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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 (collectively, the Organization), which comprise the combined statement of financial position as of December 31, 2018, 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 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 financial statements that are free from material misstatement whether due to fraud or error.

### **Accountant's Responsibility**

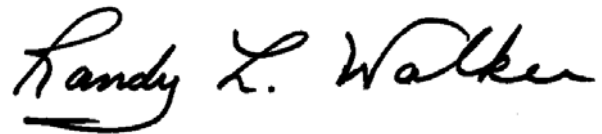
Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting 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.

### **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 15 and 16 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.

A handwritten signature in black ink that reads "Randy L. Walker". The signature is written in a cursive style with a large, stylized initial 'R'.

San Antonio, Texas  
November 15, 2019

## **Financial Statements**

**THE ARC OF FORT BEND COUNTY AND  
ARC OF FORT BEND COUNTY FOUNDATION  
COMBINED STATEMENT OF FINANCIAL POSITION  
December 31, 2018**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$ 1,612,991
Prepaid Expenses	50,394
Deposits	3,500
Total Current Assets	<u>1,666,885</u>

**LONG-TERM ASSETS**

Investments	1,604,527
Notes Receivable	3,005
Property and Equipment, net	3,656,603
Total Long-Term Assets	<u>5,264,135</u>

**TOTAL ASSETS** \$ 6,931,020

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ 1,806
Deposits Payable	18,725
Total Current Liabilities	<u>20,531</u>
<b>TOTAL LIABILITIES</b>	<u>20,531</u>

**NET ASSETS**

Without Donor Restrictions:

Undesignated	6,850,489
Board-Designated	60,000
<b>TOTAL NET ASSETS</b>	<u>6,910,489</u>

**TOTAL LIABILITIES AND NET ASSETS** \$ 6,931,020

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, 2018**

**OPERATING REVENUE AND SUPPORT**

Special Events, net of direct expenses of \$30,538	\$ 441,080
Rental Income	432,825
Contributions and Grants	81,098
Program Service Fees	31,377
In-Kind Rent	28,800
Other Income	1,041
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<b><u>1,016,221</u></b>

**OPERATING EXPENSES**

Program	687,295
General and Administrative	209,845
Fundraising	47,994
<b>TOTAL OPERATING EXPENSES</b>	<b><u>945,134</u></b>

**CHANGE IN NET ASSETS BEFORE NON-  
OPERATING ACTIVITIES**

**71,087**

**NON-OPERATING ACTIVITIES**

Interest Income	12,104
Investment Loss, net	(125,746)
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<b><u>(113,642)</u></b>

**CHANGE IN NET ASSETS AFTER NON-  
OPERATING ACTIVITIES**

**(42,555)**

**NET ASSETS, Beginning of Year**

**6,953,044**

**NET ASSETS, End of Year**

**\$ 6,910,489**

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, 2018**

	Program									Fundraising			General and Administrative	Total
	Advocacy	Bowling	Employment	Self-Advocates	Social and Recreation	Special Olympics	Youth	Real Estate	Total Program	Golf	Western Dance	Total Fundraising		
<b><u>OPERATING EXPENSES</u></b>														
Employee Expenses	\$ 88,070	\$ 1,497	\$ 12,510	\$ 3,277	\$ 59,370	\$ 50,608	\$ 24,688	\$ 22,416	\$ 262,436	\$ 14,999	\$ 22,193	\$ 37,192	\$ 147,291	\$ 446,919
Depreciation	-	-	-	-	-	-	-	157,001	157,001	-	-	-	-	157,001
Activity Expenses	2,303	14,659	-	688	35,356	36,406	2,731	-	92,143	-	-	-	131	92,274
Facility Expenses	-	-	-	-	-	-	-	56,546	56,546	-	-	-	-	56,546
Insurance	-	-	-	-	-	-	-	34,948	34,948	-	-	-	14,071	49,019
Office Expenses	12,853	-	-	-	2,266	5,275	3,735	234	24,363	129	482	611	16,284	41,258
In-Kind Rent	12,960	-	-	-	2,880	2,880	2,880	-	21,600	-	-	-	7,200	28,800
PR Contract Drivers	-	-	-	-	14,161	-	-	-	14,161	-	-	-	-	14,161
Accounting, Audit and Payroll	-	-	-	-	-	-	-	-	-	-	-	-	12,481	12,481
Event Expenses	2,057	-	-	-	-	-	-	-	2,057	3,885	2,985	6,870	10	8,937
Affiliation, Membership and Certificates	2,069	-	-	-	-	-	40	-	2,109	-	-	-	3,042	5,151
BBGS Agreement	5,000	-	-	-	-	-	-	-	5,000	-	-	-	-	5,000
Bank and Credit Card Charges	-	-	-	-	-	-	-	35	35	300	2,823	3,123	1,637	4,795
Community Outreach	3,184	-	-	-	-	-	-	-	3,184	-	-	-	112	3,296
Advocacy in Action	3,282	-	-	-	-	-	-	-	3,282	-	-	-	-	3,282
Postage and Delivery	979	32	-	-	544	503	30	-	2,088	72	41	113	724	2,925
Conferences	2,553	-	-	-	-	-	-	-	2,553	-	-	-	199	2,752
Credit Card Charges	-	-	-	-	-	-	-	-	-	-	-	-	1,957	1,957
Repairs and Maintenance - Auto	703	-	-	-	676	127	-	-	1,506	10	75	85	315	1,906
Printing and Reproduction	1,540	-	-	-	-	73	29	-	1,642	-	-	-	251	1,893
Board Expenses	-	-	-	-	-	-	-	-	-	-	-	-	1,570	1,570
Advertising and Marketing	-	-	-	-	-	-	-	-	-	-	-	-	1,480	1,480
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	875	875
Professional Fees	117	-	-	-	-	-	260	65	442	-	-	-	-	442
Meeting Meals and Supplies	26	-	-	-	-	-	56	-	82	-	-	-	215	297
Continuing Education	117	-	-	-	-	-	-	-	117	-	-	-	-	117
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 137,813</b>	<b>\$ 16,188</b>	<b>\$ 12,510</b>	<b>\$ 3,965</b>	<b>\$ 115,253</b>	<b>\$ 95,872</b>	<b>\$ 34,449</b>	<b>\$ 271,245</b>	<b>\$ 687,295</b>	<b>\$ 19,395</b>	<b>\$ 28,599</b>	<b>\$ 47,994</b>	<b>\$ 209,845</b>	<b>\$ 945,134</b>

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 CASH FLOWS  
For the Year Ended December 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets from Operations	\$ (42,555)
Adjustments to Reconcile Net Change to Net Cash	
Provided by Operations:	
Depreciation	157,001
Net Unrealized/Realized Loss on Investments	144,786
Increase in Assets:	
Prepaid Expenses	(6,979)
Deposits	(1,000)
Increase in Liabilities:	
Accounts Payable	1,806
Deposits Payable	3,500
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>256,559</u></b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Cash Purchases of Equipment	(53,674)
Purchase of Investments	(119,042)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b><u>(172,716)</u></b>

**NET INCREASE IN CASH FLOWS** 83,843

**CASH AND CASH EQUIVALENTS, Beginning of Year** **1,529,148**

**CASH AND CASH EQUIVALENTS, End of Year** **\$ 1,612,991**

See accompanying notes and independent accountant's review report.

## **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 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 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.

### **Cash and Cash Equivalents**

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

## **NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **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 currently. Donated assets are recorded at estimated market value at the date of donation. The Arc capitalizes property and equipment with a cost of over \$1,000. Depreciation is computed using the straight-line method over the estimated useful lives of five to thirty years.

### **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, 2018, the tax years that remain subject to examination by taxing authorities begin with 2015. 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 2018.

### **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.

### **New Accounting Pronouncements**

In May 2014, the Financial Accounting Standards Board (FASB) issued a new accounting pronouncement regarding revenue recognition effective for reporting periods beginning after December 15, 2018. Management does not expect the new standard to have a significant impact on its financial position, results of operations and related disclosures.

In February 2016, the FASB issued a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2020. 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 is currently evaluating the effect this pronouncement will have on the combined financial statements and related disclosures.

### **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.

### **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 statement of financial position. Unrealized gains and losses are included in the combined statement of activities.

## **NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)**

### **Recently Adopted Accounting Pronouncements**

In August 2016, the FASB issued Accounting Standard Update 2016-14, regarding the reporting and disclosure requirement for not-for-profit organizations, effective for periods beginning after December 15, 2017 with early adoption encouraged. The pronouncement replaces the three classes of net assets with two new classes, requires reporting of expense by function and natural classification, enhances disclosures on liquidity and availability of resources, and includes several other less significant reporting enhancements. The Organization has adopted this new pronouncement effective January 1, 2018.

### **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 activity expenses, insurance, and other operating expenses which are allocated on the basis of square footage or some other reasonable basis.

### **Contributions and Grants**

The Organization reports contributions and grants 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.

Annual fund-raising contributions are generally available for unrestricted use in the related fund-raising year unless specifically restricted by the donor.

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.

### **Advertising Costs**

Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2018 was \$1,480.

### **Reclassifications**

Certain reclassifications of amounts have been made to the accompanying combined financial statements. The reclassifications are due to the adoption of Accounting Standards Update 2016-14, as discussed above, which requires two classifications of net assets from the previously reported three classes. Net assets previously classified as “unrestricted” are now classified as “without donor restrictions”. Net assets previously classified as “temporarily restricted” and “permanently restricted” are now classified as “with donor restrictions”.

## **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. At December 31, 2018, the uninsured balances in the Organization's cash and investment accounts totaled \$282,880, without consideration of reconciling items.

## **NOTE 3 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at December 31, 2018:

Land	\$	810,768
Buildings and Improvements		4,628,092
Office Furniture and Equipment		27,801
Automobiles		<u>76,832</u>
		5,543,493
Less Accumulated Depreciation		<u>(1,886,890)</u>
Total Property and Equipment, net	\$	<u><u>3,656,603</u></u>

Depreciation expense for the year ended December 31, 2018 was \$157,001.

## **NOTE 4 - MANAGEMENT AGREEMENT**

The Organization entered into a maintenance agreement with a contractor for \$1,300 a month in February 2016. This agreement gives the contractor on-site management and repair and maintenance services for the Organization's rental properties. Contractor fees paid in 2018 totaled \$15,600. The agreement renews automatically every year unless cancelled with a 60-day notice by either party.

## **NOTE 5 - 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.

Cash and Cash Equivalents	\$	1,612,991
Investments		1,604,527
Deposits		<u>3,500</u>
Total Financial Assets		3,221,018
Board Designations		<u>(60,000)</u>
Financial Assets Available to Meet Cash		
Needs for Expenditures Within One Year	\$	<u><u>3,161,018</u></u>

## **NOTE 6 - 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 has no Level 2 or Level 3 assets or liabilities.

The Organization’s financial instruments (Level 1) were as follows at December 31, 2018:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets:		
Cash and Cash Equivalents	\$ 1,612,991	\$ 1,612,991
Prepaid Expenses	\$ 50,394	\$ 50,394
Deposits	\$ 3,500	\$ 3,500
Financial Liabilities:		
Accounts Payable	\$ 1,806	\$ 1,806
Deposits Payable	\$ 18,725	\$ 18,725

The carrying amounts reported in the combined statement 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.

## **NOTE 7 - REVENUE CONCENTRATION**

The Organization held two fundraising events in Fort Bend County, Texas, which provided approximately 43% of its total operating revenue for the year ended December 31, 2018.

Rental income represents 43% of total operating revenue for the year ended December 31, 2018.

## **NOTE 8 - INVESTMENTS**

Investments consisted of the following at December 31, 2018:

	<u>Fair Value</u>	<u>Cost</u>
Cash and Money Market Funds	\$ 90,216	\$ 90,216
Fixed Income	880,418	969,456
Equities	<u>633,893</u>	<u>638,233</u>
Total	\$ <u>1,604,527</u>	\$ <u>1,697,905</u>

Investment activity consisted of the following for the year ended December 31, 2018:

Dividends and Interest	\$ 30,217
Net Unrealized/Realized Loss	(144,786)
Investment Fees	<u>(11,177)</u>
Total	\$ <u>(125,746)</u>

## **NOTE 9 - LEASES**

The Arc leases the office building it occupies from the City of Sugar Land for \$1 per year. The City of Sugar Land terminated the lease during 2018, and the Organization renewed the lease with new terms in 2019. The Arc recognized an in-kind contribution amounting to \$28,800 for the fair value of rent for the year ended December 31, 2018.

The Arc has a non-cancelable operating lease for a copier that expires in September 2019 with monthly lease payments of \$326. Total lease expense was \$4,984 for the year ended December 31, 2018.

Future minimum payments under all lease agreements are \$2,934 for the year ending December 31, 2019.

## **NOTE 10 - PROGRAM SERVICE INCOME**

The Arc owns and leases fifteen group homes to service providers which are certified by the State of Texas to provide services to Fort Bend County, Texas. Ten of these leases expired during 2018 and were renewed under the same terms. Leases range from \$1,100 to \$1,950 per month. All of the homes are utilized as housing for individuals with intellectual and developmental disabilities.

The Arc also owns and rents two townhomes directly to individuals. One is leased to individuals with intellectual and/or developmental disabilities and the other to an individual who offers light supervision to those tenants. These residential leases, which are cancelable operating leases, are on a month-to-month basis at \$375 a month per individual.

#### **NOTE 10 - PROGRAM SERVICE INCOME (continued)**

The Arc leased its building on Industrial Blvd. to a service provider under a five-year operating lease beginning June 2016 for \$7,500 per month for the first two years and \$8,124 for the remaining life of the lease. 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 a five-year operating lease beginning February 2014 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 year ended December 31, 2018 was \$432,825.

#### **NOTE 11 - 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. Total contributions were \$5,874 for the year ended December 31, 2018.

#### **NOTE 12 - SUBSEQUENT EVENTS**

The sale of a house was finalized in February 2019. The house was sold for \$82,720, and The Arc received a payment of \$8,412 and entered into a financing agreement with the buyer for the remaining balance to be fully paid by 2034.

The purchase of a property was finalized in January 2019. The Arc purchased a house for \$225,720 and entered into a financing note agreement with the Foundation to borrow these funds. The note is payable in equal monthly installments of \$1,211.71 including principal and interest through March 2049, with a balloon payment due in March 2034. The interest rate on the note is 5%.

The Organization has evaluated subsequent events through November 15, 2019, which is the date the combined financial statements were available to be issued.

#### **NOTE 13 - 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 \$5,151 during 2018.

The Arc has several promissory notes payable to the Foundation in the total amount of \$1,289,660 at December 31, 2018. 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.



### **NOTE 13 - RELATED PARTY TRANSACTIONS (continued)**

The notes payable at December 31, 2018 are as follows:

- Note payable in the total amount of \$95,403. The note is payable in equal monthly installments of \$681.61 including principal and interest through April 2022, with a balloon payment due April 1, 2022. The interest rate on the note is 5.25%.
- Note payable in the total amount of \$64,273. The note is payable in equal monthly installments of \$407.98 including principal and interest through November 2025, with a balloon payment due November 1, 2025. The interest rate on the note is 5%.
- Note payable in the total amount of \$91,656. The note is payable in equal monthly installments of \$654.78 including principal and interest through April 2027, with a balloon payment due April 1, 2022. The interest rate on the note is 5.25%.
- Note payable in the total amount of \$274,776. The note is payable in equal monthly installments of \$3,353.61 including principal and interest through April 2027. The interest rate on the note is 5%.
- Note payable in the total amount of \$132,391. The note is payable in equal monthly installments of \$807.92 including principal and interest through February 2027, with a balloon payment due February 1, 2027. The interest rate on the note is 5%.
- Note payable in the total amount of \$140,028. The note is payable in equal monthly installments of \$853.07 including principal and interest through February 2027, with a balloon payment due February 1, 2027. The interest rate on the note is 5%.
- Note payable in the total amount of \$115,551. The note is payable in equal monthly installments of \$740.81 including principal and interest through October 2024, with a balloon payment due November 1, 2024. The interest rate on the note is 5%.
- Note payable in the total amount of \$245,693. The note is payable in equal monthly installments of \$1,395.74 including principal and interest through June 1, 2030, with a balloon payment due June 1, 2030. The interest rate on the note is 5%.
- Note payable in the total amount of \$129,889. The note is payable in equal monthly installments of \$832.07 including principal and interest through November 2024, with a balloon payment due December 1, 2024. The interest rate on the note is 5%.

For the year ended December 31, 2018, interest paid by The Arc to the Foundation was \$66,238.

These intercompany transactions are eliminated in the combined financial statements.

### **NOTE 14 - 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 \$60,000 at December 31, 2018.

## **Supplementary Information**

**THE ARC OF FORT BEND COUNTY AND  
ARC OF FORT BEND COUNTY FOUNDATION  
COMBINING STATEMENT OF FINANCIAL POSITION  
December 31, 2018**

	<u>Agency</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b><u>ASSETS</u></b>				
<b><u>CURRENT ASSETS</u></b>				
Cash and Cash Equivalents	\$ 289,912	\$ 1,323,079	\$ -	\$ 1,612,991
Notes Receivable	-	53,062	(53,062)	-
Prepaid Expenses	50,394	-	-	50,394
Deposits	3,500	-	-	3,500
Total Current Assets	<u>343,806</u>	<u>1,376,141</u>	<u>(53,062)</u>	<u>1,666,885</u>
<b><u>LONG-TERM ASSETS</u></b>				
Investments	-	1,604,527	-	1,604,527
Notes Receivable	-	1,239,603	(1,236,598)	3,005
Property and Equipment, net	3,656,603	-	-	3,656,603
Total Long-Term Assets	<u>3,656,603</u>	<u>2,844,130</u>	<u>(1,236,598)</u>	<u>5,264,135</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,000,409</u></u>	<u><u>\$ 4,220,271</u></u>	<u><u>\$ (1,289,660)</u></u>	<u><u>\$ 6,931,020</u></u>
<b><u>LIABILITIES AND NET ASSETS</u></b>				
<b><u>CURRENT LIABILITIES</u></b>				
Accounts Payable	\$ 1,806	\$ -	\$ -	\$ 1,806
Deposits Payable	18,725	-	-	18,725
Notes Payable - Current	53,062	-	(53,062)	-
Total Current Liabilities	<u>73,593</u>	<u>-</u>	<u>(53,062)</u>	<u>20,531</u>
<b><u>LONG-TERM LIABILITIES</u></b>				
Note Payable - Long-Term	1,236,598	-	(1,236,598)	-
Total Long-Term Liabilities	<u>1,236,598</u>	<u>-</u>	<u>(1,236,598)</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,310,191</u>	<u>-</u>	<u>(1,289,660)</u>	<u>20,531</u>
<b><u>NET ASSETS</u></b>				
Without Donor Restrictions:				
Undesignated	2,630,218	4,220,271	-	6,850,489
Board-Designated	60,000	-	-	60,000
<b>TOTAL NET ASSETS</b>	<u>2,690,218</u>	<u>4,220,271</u>	<u>-</u>	<u>6,910,489</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,000,409</u></u>	<u><u>\$ 4,220,271</u></u>	<u><u>\$ (1,289,660)</u></u>	<u><u>\$ 6,931,020</u></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, 2018**

	<u>Agency</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b><u>OPERATING REVENUE AND SUPPORT</u></b>				
Special Events, net of direct expenses of \$30,538	\$ 441,080	\$ -	\$ -	\$ 441,080
Rental Income	432,825	-	-	432,825
Contributions and Grants	81,098	-	-	81,098
Program Service Fees	31,377	-	-	31,377
In-Kind Rent	28,800	-	-	28,800
Other Income	1,036	5	-	1,041
<b>TOTAL OPERATING REVENUE AND SUPPORT</b>	<u>1,016,216</u>	<u>5</u>	<u>-</u>	<u>1,016,221</u>
<b><u>OPERATING EXPENSES</u></b>				
Program	753,533	-	(66,238)	687,295
General and Administrative	209,845	-	-	209,845
Fundraising	47,994	-	-	47,994
<b>TOTAL OPERATING EXPENSES</b>	<u>1,011,372</u>	<u>-</u>	<u>(66,238)</u>	<u>945,134</u>
<b>CHANGE IN NET ASSETS BEFORE NON- OPERATING ACTIVITIES</b>	<u>4,844</u>	<u>5</u>	<u>-</u>	<u>71,087</u>
<b><u>NON-OPERATING ACTIVITIES</u></b>				
Interest Income	144	78,198	(66,238)	12,104
Investment Loss, net	-	(125,746)	-	(125,746)
<b>TOTAL NON-OPERATING ACTIVITIES</b>	<u>144</u>	<u>(47,548)</u>	<u>(66,238)</u>	<u>(113,642)</u>
<b>CHANGE IN NET ASSETS AFTER NON- OPERATING ACTIVITIES</b>	4,988	(47,543)	-	(42,555)
<b>NET ASSETS, Beginning of Year</b>	<u>2,685,230</u>	<u>4,267,814</u>	<u>-</u>	<u>6,953,044</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 2,690,218</u>	<u>\$ 4,220,271</u>	<u>\$ -</u>	<u>\$ 6,910,489</u>

See independent accountant's review report.

2020 Budget - Final

			General & Admin	Advocacy	Bowling	Social Recreation	Special Olympics	Twenty Somethings	Youth Tween Teen	Real Estate	Golf Classic	Western Dance	TOTAL
Ordinary Income / Expense													
	INCOME												
1		Bowling - Lane Fees			7,296								7,296
2		Donations & Contributions		20,000									20,000
3		Donations - Designated		200	50	300	600		500				1,650
4		Kathy Moody Memorial Scholarship											-
5		Fundraising Events									83,000	264,600	347,600
6		Grants	75,000	5,000			32,500						112,500
7		Grant - CDBG Fort Bend				40,000							40,000
8		Grant - FBJSL					10,000						10,000
9		Membership Revenue	10,000										10,000
10		Rental - Brazos Glen								13,200			13,200
11		Rental - Chapman Falls								16,200			16,200
12		Rental - Cotter Lane								13,200			13,200
13		Rental - Cypress Point Bldg.								96,000			96,000
14		Rental - Cypress Point Home								16,500			16,500
15		Rental - Gilmar 3003								4,800			4,800
16		Rental - Grant Dr.								10,800			10,800
17		Rental - Industrial								97,500			97,500
18		Rental - Manorfield								15,550			15,550
19		Rental - Parkview								18,600			18,600
20		Rental - River Road								14,400			14,400
21		Rental - Russeff Field								16,200			16,200
22		Rental - Rustic Trail								11,700			11,700
23		Rental - Summerdale								13,800			13,800
24		Rental - Thomas Jefferson								14,400			14,400
25		Rental - Wagon Wheel								14,400			14,400
26		Rental - Whispering Creek								23,400			23,400
27		Rental - Willow Springs								15,550			15,550
28		Rental - Worley Drive								19,800			19,800
29		Riveredge Annual Mortgage Payment								1,036			1,036
30		Ride Fees				2,400	400						2,800
31		Social Rec Fees				14,000							14,000
32		Youth Social							1,000				1,000
	TOTAL INCOME		85,000	25,200	7,346	56,700	43,500	-	1,500	447,036	83,000	264,600	1,013,882
	EXPENSE												
1		Accounting, Payroll Processing	15,470										15,470
2		Advertising & Marketing		840									840
3		Advocacy in Action		2,700									2,700
4		AA Educational Advocacy		2,245									2,245
5		AA Information / Referral		900									900
6		Affiliation/ Association/ Membership		5,151									5,151

2020 Budget - Final

			General & Admin	Advocacy	Bowling	Social Recreation	Special Olympics	Twenty Somethings	Youth Tween Teen	Real Estate	Golf Classic	Western Dance	TOTAL
7		Auto / Vans - Repairs & Maintenance	1,500										1,500
8		Bank & CC Charges	1,800								500	2,000	4,300
9		Board Expenses	1,400										1,400
10		Casey Connection	5,000										5,000
11		Community Outreach		3,500									3,500
12		Conferences		875									875
13		Continuing Education / Staff Develop.	300										300
14		Employee - Salaries	356,680										356,680
15		Employee - SS / FICA & Medicare	27,286										27,286
16		Employee - SUTA	4,644										4,644
17		Employee - Health & Dental	64,667										64,667
18		Employee - Mileage Reimbursement	200	500		300	300		200				1,500
19		Employee - Retirement Plan	7,134										7,134
20		Employee - Workers Compensation	1,064										1,064
21		Event Expenses		2,500							3,000	33,000	38,500
22		Facilities - HOA								13,000			13,000
23		Facilities - Insurance / Property & Fire								37,462			37,462
24		Facilities - Property Management Fees								15,600			15,600
25		Facilities - R&M / Improvements								34,280			34,280
26		Facilities - R&M / Landscaping								-			-
27		Facilities - Real Estate Taxes								-			-
28		Insurance - Auto	5,994										5,994
29		Insurance - Crime	123										123
30		Insurance - Cyber Liability	1,200										1,200
31		Insurance - D&O / Fiduciary	3,408										3,408
32		Insurance - Liability / General & Professional	10,548										10,548
33		Insurance - Umbrella	2,063										2,063
34		Meetings / Meals & Supplies	400										400
35		Notes Payable - Brazos Glen								8,179			8,179
36		Notes Payable - Chapman Falls								4,896			4,896
37		Notes Payable - Cotter Lane								7,857			7,857
38		Notes Payable - Cypress Point Bldg.								40,243			40,243
39		Notes Payable - Manorfield								9,659			9,659
40		Notes Payable - Rustic Trail								10,217			10,217
41		Notes Payable - Wagon Wheel								8,890			8,890
42		Notes Payable - Whispering Creek								16,749			16,749
43		Notes Payable - Willow Springs								9,985			9,985
44		Notes Payable - Worley Dr.								14,541			14,541
45		Office - Cell phone	2,958										2,958
46		Office - Computer / Software	2,000										2,000
47		Office - Copier Lease	4,350										4,350
48		Office - Lease	240										240
49		Office - Postage & Delivery	3,200										3,200

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			General & Admin	Advocacy	Bowling	Social Recreation	Special Olympics	Twenty Somethings	Youth Tween Teen	Real Estate	Golf Classic	Western Dance	TOTAL
50		Office - Printing & Reproduction	400	800									1,200
51		Office - Repairs & Maintenance	10,950										10,950
52		Office - Supplies	3,200										3,200
53		Office - Telephone / Internet	4,331										4,331
54		Office - Utilities / Water & Electric	4,560										4,560
55		Office - Website		400									400
56		PR Activites/Meetings - Meals, Food & Supplies				2,000	10,200		2,350				14,550
57		PR Athletic Banquet			2,200		3,100						5,300
58		PR Bowling Lane Fees			12,768								12,768
59		PR Contract Labor				20,000			3,640				23,640
60		PR DJ				2,600							2,600
61		PR Equipment, Shirts & Uniforms			400	800	1,000						2,200
62		PR Fuel	100	300		1,600	1,000						3,000
63		PR Game / Registration Fees					3,450						3,450
64		PR Hotel					20,000						20,000
65		PR Other Expenses & Gifts				700	50		200				950
66		PR Parking & Tolls		50		1,000	200						1,250
67		PR Practice Facilities / Lifeguards					4,600						4,600
68		PR Scholarships & Sponsorships		3,000									3,000
69		PR Tickets / Venues / Events				34,000			700				34,700
70		PR Volunteer/Parent Training Expenses & Background checks					125		500				625
71		PR Transportation				2,000	5,000						7,000
72		PR Twenty Somethings						2,000					2,000
74		Professional Fees - Legal	50										50
75		Professional Fees - Other		500									500
		TOTAL EXPENSE	547,220	24,261	15,368	65,000	49,025	2,000	7,590	231,558	3,500	35,000	980,522
			(462,220)	939	(8,022)	(8,300)	(5,525)	(2,000)	(6,090)	215,478	79,500	229,600	33,360
		1/6/2020											

Ordinary Income/Expense  
Income

Bowling - Lane Fee Income	Estimated: average of 32 bowlers per week @ \$6.00 each x 38 weeks
Donations & Contributions	Estimated: based on 2018 actuals and 2019 year-to-date
Donations - Designated	Estimated: based on 2018 actuals and 2019 year-to-date
Fundraising Event	WD - Reduced 2019 WD Actual Gross Income(\$294,000) by 10%      Golf Classic - Reduced total net from 2019 actuals by 25%
Grant - CDBG Fort Bend	Federal HUD Grant for low income consumers living in restricted areas of Ft Bend County to be used for activites.   Provided to SR Program to help offset salaries, activity fees, contract drivers, & monthly dues
Grant - FBJSL	Grant for Special Olympics - Will find out in December if we are awarded
Grants	Anticipated misc.grants,   \$75,000 Grant from Foundation, Skeeters \$7,500 grant designated for SO, \$25,000 Grant for Special Olympics from Haliburton
Kathy Moody Memorial Scholarship	<b>Nothing budgeted</b>
Membership Revenue	Estimated based on 2018 actuals & 2019 year-to-date: IWD \$20, IND \$35, FAM \$50, CORP \$100, LIFETIME (IND \$500, CORP \$2,000)
Rental - Brazos Glen	Texana \$1,100 per month x 12 months - <b>expires 8/31/2020</b>
Rental - Chapman Falls	Caregiver \$1,350 per month x 12 months - <b>expires 10/31/2020</b>
Rental - Cotter Lane	All the Little Things Count \$1,100 per month x 12 months - <b>expires 10/31/2020</b>
Rental - Cypress Point Building	Texana \$8,000 per month x 12 months - expires 1/31/2022
Rental - Cypress Point (Home)	Caregiver \$1375 per month x 12 months - expires 1/30/2021
Rental - Gilmar 3003	Shirley Young   \$400 per month x 12 months - <b>expires 6/1/2020</b>
Rental - Grant Dr.	All the Little Things Count \$1,200 x 2 months (Jan. & Feb.), allowing for 90 days vacant, \$1,200 per month for remaining months in 2020 of new lease
Rental - Industrial	QuVa   \$8,125 x 12 months - expires 6/23/2021
Rental - Manorfield Ct.	All the Little Things Count \$1,250 x 1 month (January) & \$1,300 per month x 11 months - expires 1/30/2020
Rental - Parkview Lane	Caregiver \$1,550.00 per month x 12 months - <b>expires 7/30/2020</b>
Rental - River Road	All the Little Things Count \$1,200 x 12 months - expires 6/30/2021
Rental - Russeff Field	All the Little things Count \$1,350 x 12 months - <b>expires 5/31/2020</b>
Rental - Rustic Trail	Texana \$1,300 x 1 month (January) allowing for 90 days vacant, \$1,300 per month for remaining months in 2020 of new lease
Rental - Summerdale	Caregiver \$1,150 per month x 12 months - <b>expires 9/29/2020</b>
Rental - Thomas Jefferson	Caregiver \$1,200 per month x 12 months - <b>expires 10/31/2020</b>
Rental - Wagon Wheel	Vonda Holmes \$1,200 per month x 12 months - <b>expires 10/31/2020</b>
Rental - Whispering Creek	Caregiver \$1,950 per month x 12 months - expires 5/31/2021
Rental - Willow Springs	All the Little Things Count \$1,250 x 1 month (January) & \$1,300 per month x 11 months - expires 11/30/2019
Rental - Worley Drive	Forgotten Angels \$1,650 per month x 12 months - expires 1/31/2021
Riveredge Morg. Payment- Owner financed	Purchaser will pay \$1,036.00 annually for 10 years..in September - Last Payment September 2025



2020 Notes

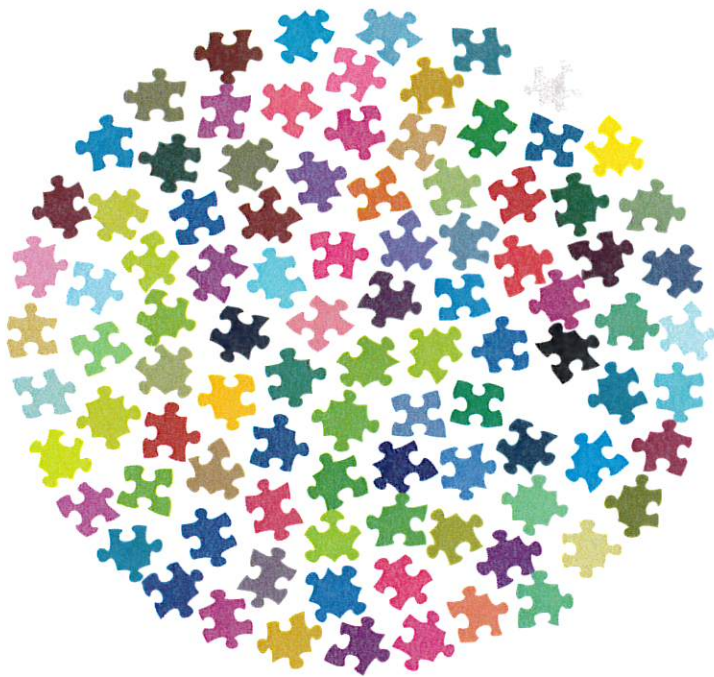
<b>Social Rec Fees</b>	based on 2019 actuals & estimate by Nancy
<b>Youth Respite</b>	Fees anticipated from Tween/Teen Social participants
<b>Expense</b>	
<b>Accounting, Audit, Payroll processing</b>	ESTIMATE: REVIEW & 990 by TO BE DETERMINED ?? \$13,000 ?? Payroll Services - ADP \$2,470
<b>Advertising &amp; Marketing</b>	General advertising / marketing \$200, Constant Contact - eblasts (\$53.30 x 12)
<b>Advocacy in Action:</b>	Ft. Bend Chamber Leadership or Pam \$2,700
<b>AA Educational Advocacy</b>	Parent Training - IEP Notebook \$60, Special Ed Connect 2 year renewal \$2,035, Program Resources (books, software, etc. to be available for parents) \$100
<b>AA Information / Referral</b>	Resource Fair - Spring & Fall \$300, Spring & Fall Resource Fair Respite Event Carnival Prizes \$200, Booths or sponsorship items for other conferences and fairs \$200, AFB Spnsorship items \$200
<b>Affiliation/Asso/Membership/Cert</b>	Arc of US \$3,456 Laura Rotary Membership & monthly meetings \$990, Ft. Bend Chamber \$300, AAIDD \$85, COPAA - Karri \$95, Central Fort Bend Chamber \$225
<b>Auto / Vans -Repairs &amp; Maintenance</b>	State Registration & Inspection. Repairs. Regular Maintenance: oil changes, tire rotation, etc.
<b>Bank &amp; CC Charges</b>	Estimate: Based on 2019 actuals and current year projections
<b>Board Expenses</b>	Board meeting dinners, Annual Meeting expenses..Exit gifts, snacks for meetings, Boardsource, Survey Monkey
<b>Casey Connection</b>	Ongoing Implementation Support
<b>Community Outreach</b>	Sponsorship for "Dream League" \$1,500 & Lamar LL \$1,000, flowers/memorials , Misc. events
<b>Conferences</b>	Tx Parent to Parent - Sponsor Principal / Admin \$545, Parent Support Group \$10 x 8 meetings \$80, Positive Futures Conference \$50, Tx Legal Digest Back to School Conference \$200
<b>Continuing Education / Staff Dev.</b>	Webinars, Workshops, & Opportunities that might be available to the staff for training & developmental purposes
<b>Employee Salaries</b>	2020 Employee salaries increased by 3%, plus CEO compensation
<b>Employee FICA/Medicare</b>	7.65% of Gross salaries
<b>Employee SUTA</b>	8.6% of \$9,000 Texas cap per employee
<b>Employee Health &amp; Dental</b>	Health \$55,005.12, Dental \$2,452.80, Vision \$481.92, Laura Medicare reimbursement \$6,656.52
<b>Employee Retirement Plan</b>	Retirement Vonluntary Contribution made by the Arc of Ft. Bend (Based on 2% of Employee's 2020 Salaries)
<b>Employee Workers Comp</b>	Texas Mutual - Estimate based on rates paid November 2019
<b>Event Expenses</b>	Awards Dinner \$2,500, Golf Classic & Western Dance (based on 2018 / 2019 actuals and current year projections)
<b>Facilities Insurance - Property/Fire</b>	Based on actual rates paid November 2019 for policy period 11/15/19 - 11/15/20
<b>Facilities - Other</b>	Nothing Budgeted - Legal Matters, Misc., Unanticipated expenses
<b>Facilities - Propert Mgt. Fees</b>	Rychlik Services \$1,300 x 12 months
<b>Facilities R&amp;M - HOA Fees</b>	APPROXIMATE - Will have exact numbers by end of Dec. 2019
<b>Facilities R&amp;M. / Improvements</b>	\$1,500 x 17 Homes = \$25,500, \$2,500 Cypress Pt. Bldg, A/C Maintenance aggreement through Mesa Mechanical for Cypress Pt. Bldg is \$6,280 per year
<b>Facilities R&amp;M - Landscaping</b>	Annual Lawn Maintenance at Cypress Pt. from Fort Bend County CSCD \$1,500 reimbursed by Texana

2020 Notes

Facilities - Real Estate Taxes/MUDs	None anticipated - Exempt
Insurance - Cyber	Protection against issues related to Cyber hacking - \$1,000      Based on actual rates paid November 2018 for policy period 11/15/19 - 11/15/20
Insurance - D&O/Fiduciary	Based on actual rates paid November 2018 for policy period 11/15/18 - 11/15/19
Insurance - Liability Package & Auto	Based on actual rates paid November 2018 for policy period 11/15/18 - 11/15/19
Insurance - Umbrella	Based on actual rates paid November 2018 for policy period 11/15/18 - 11/15/19
Meals & Supplies / Meetings	staff meetings, committee meetings, Advocacy - lunches with community members, Arc supporters
Mileage Reimbursement	Based on 2019 actual amounts
Notes Payable - Brazos Glen	681.61 per month
Noted Payable - Chapman Falls	407.98 per month
Notes Payable - Cotter Lane	654.78 per month
Notes Payable - Cypress Point Bldg.	3,353.61 per month
Notes Payable - Manorfield Ct.	804.92 per month
Notes Payable - Rustic Trail	851.40 per month
Notes Payable - Wagon Wheel	740.81 per month
Notes Payable - Whispering Creek	1,395.74 per month
Notes Payable - Willow Springs	832.07 per month
Notes Payable - Worley Dr.	1211.71 per month
Office - Cell Phone	\$2,478.00 Based on average AT&T bill (\$206.50), plus \$240 reimbursement to Pam & \$240 to Karri for phone expenses (\$20 per person x 12 months)
Office - Computer/Software	PC repair - PARTS ONLY...NO LABOR, Computer/Software supplies or equipment, \$700 allowance for one new computer
Office - Copier Lease	Base Charge \$345.82 x 12 months (\$4,149.84) , Reimbursement to DeLage for property tax on copier Approx. \$200
Office - Postage and Delivery	Estimated: based on 2019 expenses..meter rental, supplies, Postage refills, bulk mailings, Western Dance & Golf mailouts, Permit fee
Office Exp. - R&M	Landscaping \$2,400 annually, Cleaning 123 Brooks \$4,250 (\$85 x 50 weeks), 119 Brooks \$1,020 (\$85 x 12 (once per month), General repairs & maint. \$2,400, window cleaning \$200 2x per year, \$480 total annually A/C maint. contract - Spring & Fall
Office - Supplies	General Office Supplies: copy paper, pens, cleaning supplies, misc items for office, etc.
Office - Telephone / Internet	Nextiva Phone \$203.16 x 12 months = \$2,437.92    Comcast Internet \$157.73 x 12 months = \$1,892..76
Office - Utilities / Water & Electric	123 & 119 Brooks St. - Electric \$3,600 annually / based on average bills provided by the City of Sugar Land, Water \$960 / based on an average bill of \$40 per month x 12 months x 2 properties
Office - Website	\$400 Hosting & Basic Support
PR Activity/Mtg. Exp. - Food & Supplies	<b>SR</b> - supplies, meals, snacks, drinks; <b>SO</b> - meals, snacks, drinks, water, ice (mostly for state games), <b>YTT</b> - Tween/teen socials - consumables & nonconsumables \$700, food & drinks \$1,650 <b>Youth</b> - \$200 Pizza party, Safety Bingo, Sibling Event, Magic Show, etc \$500 21+ Social Event
PR Athletic Banquet	Bowling \$2,200, SO \$3,100 Includes food, drinks, DJ, decorations, trophies, gifts, facility
PR Bowling Lane Fees	Estimated: Average of 32 bowlers per week @ 10.50 x 38 weeks

2020 Notes

PR Contract Llabor	SR - Hired Drivers for monthly activities and special events, YTT - Director & Behavior Techs for Tween / Teen Socials
PR DJ	Social Recreation monthly dances, Holiday Formal, and Karaoke
PR Equipment, Shirts, Uniforms	Bowling League Shirts, Uniforms & Equipment for Special Olympic Sports, SR - shirts for Contract Drivers
PR Fuel	Fuel for Arc vans and Texana vans used for Social Rec activities and Special Olymoics travel, as well as office use
PR Game / Registration Fees	State Games: Summer, Fall & Winter
PR Hotel	Special Olympics State Games
PR Other Expenses & Gifts	SR- Christmas gift cards for Drivers, SO- Volunteer Gifts, YTT - \$200 Volunteer recognition
PR Parking & Tolls	SR - Activities SO - State Games
PR Practice Facilities / Lifeguards	Facilities / Field Rentals **Basketball & Volleyball \$2,600, Lifeguards for Swimming practices & Facility rental \$2,000
PR Scholarships & Sponsorships	Kathy Moody Scholarship - limit of THREE recipients per year / \$1,000 each
PR Tickets/Venue Fees	Social Recreation Events, YTT - \$200 Youth Socials, \$500 Sibling Social
PR Volunteer/Parent Exp - Training & Background checks	SO - Coach/Volunteer training for Special Olympics, SO & YTT - Volunteer Background checks
PR Transportation	SR- Buses for SR Activities/Events, SO- Van rentals for Area, Regional & State Competitions
PR Twenty Somethings	Activities for "Twenty Somethings" Social Recreation
Printing & Reproduction	Advocacy - \$800 typeset for Quarterly newsletters (\$200 x 4), G&A - \$300 #10 envelopes, \$100 misc
Professional Fees - Legal	Misc. legal services provided by Charlie Huber
Professional Fees - Other	Grant Writing (\$60 per hour)
1-6-2020	



**Where:**

The Arc of Fort Bend County\*  
123 Brooks St  
Sugar Land, Tx 77478

**When:**

The second Tuesday of every month

**Time:** 7 pm

**Contact:**

Ashley Bennett  
832-660-5931  
mokasugarland@gmail.com

# M.O.K.A.

*A Support Group for Moms of Kids with Autism*

MOKA is a brand new group in Sugar Land that was created with one goal in mind: to provide a safe, judgement-free space where moms of kids with Autism can connect and let it all out.

As a mom of a child with Autism I know how lonely it can feel when it's been a bad day, or how utterly amazing it feels when even the tiniest of milestones have been reached.

I would like to invite you to join us in finding support and sharing these moments so that we may laugh, cry, and cheer along with you.

We hope to see you there!

\*Additional parking: To access the back parking lot: From Hwy 90, take Brooks St, pass the Arc building (on your left) and turn left at the first stoplight, Guenther St. Make your first left—it comes up quick! Go through the courtyard. Enter through the Arc door on the left.

