

THE ARC OF SOUTH CAROLINA, INC.
Cayce, South Carolina

ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended
June 30, 2025 and 2024

Draft 12/23/25

THE ARC OF SOUTH CAROLINA, INC.
ANNUAL FINANCIAL REPORT
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Draft 12/23/25

December 23, 2025

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Arc of South Carolina, Inc.
Cayce, South Carolina

Opinion

We have audited the accompanying financial statements of The Arc of South Carolina, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2025, and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Arc of South Carolina, Inc. as of June 30, 2025, and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Arc of South Carolina, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Arc of

South Carolina, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Arc of South Carolina, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Arc of South Carolina, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Sheheen, Hancock and Godwin, LLP
Camden, South Carolina

THE ARC OF SOUTH CAROLINA, INC.
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2025 and 2024

	2025	2024
ASSETS		
Current Assets		
Cash	\$ 1,636,701	\$ 2,285,460
Restricted Cash	984	28,766
Short-Term Investments - American Deposit Management	3,618,877	1,568,474
Other Receivable	242,092	160,383
Investments:		
Money Market Funds	4,341	142,581
Stocks	353,858	208,926
Prepaid Expenses	32,826	24,389
	5,889,679	4,418,979
Furniture and Equipment, Net	910,501	688,910
	\$ 6,800,180	\$ 5,107,889
	\$ 6,800,180	\$ 5,107,889
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 19,162	\$ 68,098
Accrued Salaries and Employee Benefits	84,923	39,954
	104,085	108,052
Total Current Liabilities	104,085	108,052
	104,085	108,052
Total Liabilities	104,085	108,052
Net Assets		
Without Donor Restrictions	6,695,111	4,971,071
With Donor Restrictions	984	28,766
	6,696,095	4,999,837
Total Net Assets	6,696,095	4,999,837
	\$ 6,800,180	\$ 5,107,889
	\$ 6,800,180	\$ 5,107,889

The notes to the financial statements are an integral part of these statements.

THE ARC OF SOUTH CAROLINA, INC.
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets			
Revenues and Other Support			
Public Support			
Service Coordination	\$ 4,605,842	\$ -	\$ 4,605,842
Grant Awards	134,443	-	134,443
DDSN Enrollment	35,970	-	35,970
Voc Rehab Revenue	600	-	600
Contributions	6,331	-	6,331
Interest Income	150,273	-	150,273
Net Realized/Unrealized (Loss) on Investments	(23,651)	-	(23,651)
Net Assets Released from Restriction	27,782	(27,782)	-
Total Revenues and Other Support	4,937,590	(27,782)	4,909,808
Expenses			
Program Services	3,119,266	-	3,119,266
General and Administration	91,996	-	91,996
Fundraising	2,288	-	2,288
Total Expenses	3,213,550	-	3,213,550
Increase in Net Assets	1,724,040	(27,782)	1,696,258
Net Assets, Beginning of Year	4,971,071	28,766	4,999,837
Net Assets, End of Year	\$ 6,695,111	\$ 984	\$ 6,696,095

The notes to the financial statements are an integral part of these statements.

THE ARC OF SOUTH CAROLINA, INC.
STATEMENT OF ACTIVITIES
For The Fiscal Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets			
Revenues and Other Support			
Public Support			
Service Coordination	\$ 3,925,466	\$ -	\$ 3,925,466
Grant Awards	129,881	8,766	138,647
DDSN Enrollment	9,783	-	9,783
Voc Rehab Revenue	620	-	620
Contributions	2,832	-	2,832
Miscellaneous Income	1,708	-	1,708
Interest Income	105,610	-	105,610
Net Realized/Unrealized (Loss) on Investments	(2,914)	-	(2,914)
Total Revenues and Other Support	<u>4,172,986</u>	<u>8,766</u>	<u>4,181,752</u>
Expenses			
Program Services	2,694,664	-	2,694,664
General and Administration	82,787	-	82,787
Total Expenses	<u>2,777,451</u>	<u>-</u>	<u>2,777,451</u>
Increase in Net Assets	1,395,535	8,766	1,404,301
Net Assets, Beginning of Year	<u>3,575,536</u>	<u>20,000</u>	<u>3,595,536</u>
Net Assets, End of Year	<u>\$ 4,971,071</u>	<u>\$ 28,766</u>	<u>\$ 4,999,837</u>

The notes to the financial statements are an integral part of these statements.

THE ARC OF SOUTH CAROLINA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Fiscal Year Ended June 30, 2025

	<u>Program Services</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 2,428,338	\$ 14,700	\$ -	\$ 2,443,038
Employee Benefits	211,421	2,709	-	214,130
Contractual Services	38,445	48,702	-	87,147
Depreciation	51,245	-	-	51,245
Disability Advocacy Day	60	-	-	60
Events	200	-	-	200
Telephone and Internet	16,126	-	-	16,126
Travel and Training	97,650	287	-	97,937
Meals	8,769	-	-	8,769
Dues and Subscriptions	11,277	-	-	11,277
Miscellaneous	5,009	1,502	-	6,511
Office Expense and Postage	1,910	1,026	-	2,936
Property Tax	21,601	-	-	21,601
Sponsorships	-	4,500	-	4,500
Supplies	24,425	1,922	-	26,347
Insurance	86,361	4,079	-	90,440
Repairs and Maintenance	3,947	12,569	-	16,516
Family Support Funds Expenses	109,674	-	-	109,674
Fundraising Expense	-	-	2,288	2,288
Utilities	2,808	-	-	2,808
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Included in the Expenses Section of the Statements of Activities	<u>\$ 3,119,266</u>	<u>\$ 91,996</u>	<u>\$ 2,288</u>	<u>\$ 3,213,550</u>

The notes to the financial statements are an integral part of these statements.

THE ARC OF SOUTH CAROLINA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For The Fiscal Year Ended June 30, 2024

	<u>Program Services</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 2,093,219	\$ 18,928	\$ -	\$ 2,112,147
Employee Benefits	188,369	3,811	-	192,180
Contractual Services	39,358	20,891	-	60,249
Depreciation	18,567	-	-	18,567
Telephone and Internet	14,822	-	-	14,822
Travel and Training	106,740	4,106	-	110,846
Meals	9,770	-	-	9,770
Dues and Subscriptions	11,969	-	-	11,969
Miscellaneous	2,582	1,315	-	3,897
Interest - Operating Lease Right of Use	17	-	-	17
Amortization - Operating Lease Right of Use	999	-	-	999
Office Expense and Postage	3,704	1,738	-	5,442
Rent	9,250	-	-	9,250
Sponsorships	-	2,500	-	2,500
Supplies	27,484	3,230	-	30,714
Insurance	61,258	4,559	-	65,817
Repairs and Maintenance	141	20,690	-	20,831
Family Support Funds Expenses	103,717	-	-	103,717
Utilities	2,698	1,019	-	3,717
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Included in the Expenses Section of the Statements of Activities	<u>\$ 2,694,664</u>	<u>\$ 82,787</u>	<u>\$ -</u>	<u>\$ 2,777,451</u>

The notes to the financial statements are an integral part of these statements.

THE ARC OF SOUTH CAROLINA, INC.
STATEMENTS OF CASH FLOWS
For The Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows From Operating Activities		
Changes in Net Assets	\$ 1,696,258	\$ 1,404,301
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	51,245	18,567
Changes in Operating Assets and Liabilities		
Other Receivable	(81,709)	(4,032)
Prepaid Expenses	(8,437)	(4,452)
Security Deposits	-	1,525
Accounts Payable	(48,936)	17,572
Accrued Salaries and Employee Benefits	44,969	(10,901)
	1,653,390	1,422,580
Cash Flows From Investing Activities		
Purchase of Long Term Investments	(6,692)	(21,015)
Acquisition of Property and Equipment	(272,836)	(647,445)
	(279,528)	(668,460)
Cash Flows From Financing Activities		
Operating Lease - Right of Use Asset	-	(58)
	-	(58)
Net Increase in Cash	1,373,862	754,062
Cash, Beginning of Year	3,882,700	3,128,638
Cash, End of Year	\$ 5,256,562	\$ 3,882,700
Cash as Reported on Statements of Financial Position		
Cash	\$ 1,636,701	\$ 2,285,460
Restricted Cash	984	28,766
Short-Term Investments - American Deposit Management	3,618,877	1,568,474
Total Cash as Reported on Statements of Cash Flows	\$ 5,256,562	\$ 3,882,700

The notes to the financial statements are an integral part of these statements.

THE ARC OF SOUTH CAROLINA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Years Ended June 30, 2025 and 2024

Note 1. Summary of Significant Accounting Policies

A. Nature of Operations

The Arc of South Carolina (the “Arc”) was incorporated on October 3, 1957, as a statewide organization. With their office in Cayce, South Carolina, the organization acts as an advocate for the rights and full participation of persons with intellectual and developmental disabilities. The Arc accomplishes this mission by providing information and referral services, by acting as a liaison to service-providing agencies and related groups, and by maintaining community support groups for the families affected.

B. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) of Accounting Standards Codification (ASC). Accordingly, these reports reflect all significant receivables, payables, and other liabilities. The accrual basis of accounting recognizes revenues when they are earned. Expenses are recognized when incurred.

C. Financial Statement Presentation

Under professional standards, not-for-profit organizations are required to provide a statement of financial position, a statement of activities and a statement of functional expenses that reports expenses by both functional and natural classifications. Classification of an organization's net assets and its revenue, expenses, and gains and losses are based on the existence or absence of donor-imposed restrictions. 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 and net assets with donor restrictions.

D. Cash and Cash Equivalents

For purposes of the statements of cash flows, the Arc defines cash and cash equivalents to include demand deposits, restricted cash and short-term, highly liquid investments which are readily convertible into cash within ninety days of purchase.

THE ARC OF SOUTH CAROLINA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Years Ended June 30, 2025 and 2024
(Continued)

E. Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances. The Arc considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is included in the financial statements. If any balances remain outstanding after management has made reasonable collection efforts, those balances would be written off with a charge to operations.

F. Furniture and Equipment

A fixed asset is a tangible asset purchased for use in the daily operations of The Arc of South Carolina from which an economic benefit will be derived over a period greater than one year. Fixed assets include equipment, furniture and technology related equipment. Fixed assets are capitalized on the date of acquisition if the invoice price is equal to or greater than \$1,000. Furniture and equipment acquired by purchase are stated at cost. Furniture and equipment acquired by donation are stated at fair market value at date of donation. Depreciation is computed principally using the straight-line method over estimated useful lives ranging from five to twenty years and charged to operations. Expenditures for maintenance and repairs are charged to operations as incurred and costs of major additions and improvements are capitalized. The cost of property assets retired or otherwise disposed of, and the related allowances are eliminated from the respective accounts. Gains or losses resulting from such dispositions are reflected in current income.

G. Leases

The Organization recognizes and measures its leases in accordance with the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (ASC) 842, Leases. As of June 30, 2025, the Organization has no noncancellable operating leases. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract and when the terms of an existing contract are changed. The Organization recognizes lease liability and a right of use (“ROU”) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. The discount rate is the implicit rate if it is readily determinable or otherwise the Organization uses its incremental borrowing rate. The implicit rate of the Organization’s leases is not readily determinable and accordingly, the Organization uses their incremental borrowing rate based on the information available at the commencement date for all leases. The Organization’s incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct

THE ARC OF SOUTH CAROLINA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Years Ended June 30, 2025 and 2024
(Continued)

costs, plus (minus) any prepaid (accrued) lease payments, less any impairment recognized. Lease cost amortization for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected, for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with their short-term leases on a straight-line basis over the lease term.

H. Deferred Revenue

Deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Program grant revenues received before the eligibility requirements are met are recorded as deferred revenue. In subsequent periods, when both revenue recognition criteria are met, or when the Organization has a legal claim to the grant proceeds, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

I. Revenue With and Without Donor Restrictions

Under professional standards, the Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

The Organization reports gifts of equipment as without donor restrictions unless explicit donor stipulations specify how the donated assets are to be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long the long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

J. Donated Services

The Organization records donated services of individuals if the services create or enhance nonfinancial assets or if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. No donated services were recognized during the current audit period.

THE ARC OF SOUTH CAROLINA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Years Ended June 30, 2025 and 2024
(Continued)

K. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are charged directly to program and supporting services as appropriate. Administration, general and fundraising expenses include those expenses that are not directly identifiable with a specific function but provide for the overall support and direction of the Organization.

L. Use of Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and liabilities and the reported amounts of revenues, expenses, and disclosures. The most significant use of estimates is in recording depreciation and the allocation of functional expenses between program, administrative and fundraising categories.

M. Tax Exempt Status and Income Tax

The Organization is exempt from income tax under section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities which may be subject to income tax. Therefore, the Arc has made no provisions for federal or state income tax in the accompanying financial statements. The Arc is subject to routine audits by taxing authorities; however, there are no audits for any tax periods currently in progress. Management believes it is no longer subject to income tax examinations for years prior to the 2022 tax year.

The accounting standards on accounting for uncertainty in income taxes address the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Management evaluated the Organization's tax position and concluded that the Organization had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the guidance.

THE ARC OF SOUTH CAROLINA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Years Ended June 30, 2025 and 2024
(Continued)

Note 2. Service Coordination (Case Management) Services

The Organization has a contract agreement with the South Carolina Department of Disabilities and Special Needs (DDSN). This contract states that DDSN will provide payments to the Arc for service coordination services to individuals requiring services who are eligible consumers of the DDSN. The Service Coordination Services contract is renewed annually. The current contract was renewed on July 1, 2024, expired on June 30, 2025, and was renewed July 1, 2025, and shall continue in full force through June 30, 2026. The amount recognized as service coordination fees was \$4,605,842 and \$3,925,466 during the years ended June 30, 2025, and June 30, 2024, respectively.

Note 3. Deposits – Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, The Arc of South Carolina’s deposits may not be returned to them. The Organization does not have a deposit policy for custodial credit risk. At June 30, 2025, the Organization had approximately \$1,437,417 cash in excess of the \$250,000 federally insured limit.

Note 4. Investments

The Arc of South Carolina carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair market values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment income, gains and losses restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income, gains and losses are recognized.

Investments were comprised of the following:

	<u>Carrying Value</u> <u>June 30, 2025</u>	<u>Carrying Value</u> <u>June 30, 2024</u>
Investments:		
Money Market Funds	\$ 4,341	\$ 142,581
Stocks	<u>353,858</u>	<u>208,926</u>
 Total Investments	 <u>\$ 358,199</u>	 <u>\$ 351,507</u>

THE ARC OF SOUTH CAROLINA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Years Ended June 30, 2025 and 2024
(Continued)

Note 5. Fair Value Measurements

Fair value of assets measured on a recurring basis at June 30, 2025, are as follows:

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs are unobservable and have the lowest priority. The Arc of South Carolina uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, The Arc of South Carolina measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. No Level 2 or 3 inputs were available to the Arc.

Level 1 Fair Value Measurements

The fair value of investments is based on quoted net asset values of the shares held by The Arc at year-end.

	<u>Fair Value</u>	<u>Quoted Prices In Active Markets For Identical Assets (Level 1)</u>
Investments:		
Money Market Funds	\$ 4,341	\$ 4,341
Stocks	353,858	353,858
Total Investments	\$ 358,199	\$ 358,199

Note 6. Furniture and Equipment

Furniture and equipment recorded at cost or fair value when donated and accumulated depreciation is as follows as of June 30:

	<u>06/30/2025</u>	<u>06/30/2024</u>
Buildings and Building Improvements	\$ 774,684	\$ 645,881
Furniture and Equipment	36,228	24,772
Vehicles	204,829	72,252
Less: Accumulated Depreciation	(105,240)	(53,995)
Furniture and Equipment, net	\$ 910,501	\$ 688,910

Depreciation expense was \$51,245 and \$18,567 for the years ended June 30, 2025, and June 30, 2024, respectively.

THE ARC OF SOUTH CAROLINA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Years Ended June 30, 2025 and 2024
(Continued)

Note 7. Funds Held in Trust

In February 2014, the Arc agreed to accept and administer funds on behalf of IMPACT South Carolina. The agreement stipulates that the Arc will serve as the fiscal agent for a funding arrangement between Self Advocates Becoming Empowered (SABE) and IMPACT South Carolina. The funds are held with a financial institution in a bank account in the name of the Arc. Total funds held for the benefit of others under this program totaled \$0 as of June 30, 2025, and June 30, 2024.

Note 8. Concentrations with Governmental Agencies

The Arc received approximately 97% of its support and revenue from local and state governments for the fiscal years ended June 30, 2025, and June 30, 2024. Any significant reduction in the level of governmental support could have a significant effect on the Arc's programs and activities.

Note 9. Operating Lease Right of Use Asset

The Arc had one non-cancelable operating lease which expired in June 2024. Under ASU 2106-02, Accounting for Leases, the Arc is to record this lease as an Operating Lease Right of Use Asset with the following presentation on the financial statements:

	June 30, 2025	June 30, 2024
Statement of Financial Position:		
Operating Lease Right of Use Asset	\$ -	\$ -
Less: Accumulated Amortization-Operating Lease	-	-
Operating Lease Right of Use Asset, Net	\$ -	\$ -
Current Portion of Operating Lease Liability	\$ -	\$ -
Long-Term Operating Lease Liability	-	-
Total Liability	\$ -	\$ -
Statement of Functional Expenses:		
Interest - Operating Lease Right of Use	\$ -	\$ 17
Amortization - Operating Lease Right of Use	-	999
Total Expense	\$ -	\$ 1,016

THE ARC OF SOUTH CAROLINA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Years Ended June 30, 2025 and 2024
(Continued)

Note 10. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of a variety of funds donated for a specific purpose. Funds are released from restrictions as expenses are approved and ready for payment. The composition of net assets with donor restrictions as of June 30, 2025, consists of the following:

Donor Restricted	
Family Support Funds	\$ 984
Total Net Assets With Donor Restrictions	<u>\$ 984</u>

Note 11. Retirement Plans

Effective March 1, 2018, the Organization has a SIMPLE retirement plan for all eligible employees. The Organization matches 100% of the employees' contribution up to a maximum of 3% of employee compensation or the applicable federal limit.

Note 12. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Note 13. Liquidity and Availability of Financial Assets

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of acting as an advocate for the rights and full participation of persons with intellectual and developmental disabilities to be general expenditures.

In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization anticipates collecting sufficient revenue to cover general expenditures.

The following table reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual restrictions within one year of the balance sheet date.

THE ARC OF SOUTH CAROLINA, INC.
NOTES TO THE FINANCIAL STATEMENTS
For The Fiscal Years Ended June 30, 2025 and 2024
(Continued)

Financial assets at year-end:	
Cash and Cash Equivalents	\$ 1,636,701
Restricted Cash	984
Short-Term Investments - American Deposit Management	3,618,877
Other Receivable	242,092
Investments	358,199
Total financial assets	5,856,853
Less those unavailable for general expenditures within one year, due to:	
Accounts Payable and Accrued Expenses	104,085
Donor Restricted: Family Support Funds	984
Financial Assets not Available to be Used Within One Year	105,069
Financial assets available to meet cash need for general expenditures within one year	\$ 5,751,784

Note 14. Date of Management Review

Management has evaluated events subsequent to the balance sheet date through December 23, 2025, which is the date the financial statements were available to be issued. The Arc is not aware of any material subsequent events which would require recognition or disclosure in the accompanying financial statements.

Form **8879-TE**

IRS E-file Signature Authorization for a Tax Exempt Entity

OMB No. 1545-0047

For calendar year 2024, or fiscal year beginning 7/01, 2024, and ending 6/30, 20 25

Do not send to the IRS. Keep for your records.
Go to www.irs.gov/Form8879TE for the latest information.

2024

Department of the Treasury
Internal Revenue Service

Name of filer

THE ARC OF SOUTH CAROLINA

EIN or SSN

57-0422304

Name and title of officer or person subject to tax **MARGIE MOORE-WILLIAMSON**
EXECUTIVE DIRECTOR

Part I Type of Return and Return Information

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line 1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a, or 10a below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b, or 10b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not complete more than one line in Part I.**

1a Form 990 check here <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12)	1b	4,933,459
2a Form 990-EZ check here <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b	
3a Form 1120-POL check here <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b	
4a Form 990-PF check here <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part V, line 5)	4b	
5a Form 8868 check here <input type="checkbox"/>	b Balance due (Form 8868, line 3c)	5b	
6a Form 990-T check here <input type="checkbox"/>	b Total tax (Form 990-T, Part III, line 4)	6b	
7a Form 4720 check here <input type="checkbox"/>	b Total tax (Form 4720, Part III, line 1)	7b	
8a Form 5227 check here <input type="checkbox"/>	b FMV of assets at end of tax year (Form 5227, Item D)	8b	
9a Form 5330 check here <input type="checkbox"/>	b Tax due (Form 5330, Part II, line 19)	9b	
10a Form 8038-CP check here <input type="checkbox"/>	b Amount of credit payment requested (Form 8038-CP, Part III, line 22)	10b	

Part II Declaration and Signature Authorization of Officer or Person Subject to Tax

Under penalties of perjury, I declare that I am an officer of the above entity or I am a person subject to tax with respect to (name of entity) _____, (EIN) _____ and that I have examined a copy of the 2024 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

PIN: check one box only

I authorize **SHEHEEN, HANCOCK & GODWIN, LLP** to enter my PIN **89321** as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the tax year 2024 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2024 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax _____ Date **12/24/25**

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

57145540309

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2024 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature **TRACY L. FAILE, CPA** Date **12/24/25**

ERO Must Retain This Form — See Instructions

Do Not Submit This Form to the IRS Unless Requested To Do So

For Privacy Act and Paperwork Reduction Act Notice, see back of form.

Form **8879-TE** (2024)