

**ESSEX COUNTY CHAPTER NYSARC, INC.  
(D/B/A MOUNTAIN LAKE SERVICES),  
ESSEX COUNTY FACILITIES, INC.,  
ESSEX COUNTY ARC FACILITIES, INC., AND  
MOUNTAIN LAKE SERVICES FOUNDATION**

**Consolidated Financial Statements as of  
December 31, 2023 and 2022  
Together with  
Independent Auditor's Report**

**INDEPENDENT AUDITOR'S REPORT**

May 21, 2024

To the Board of Directors of  
NYSARC, Inc., Essex County Chapter (DBA Mountain Lake Services) and  
Affiliates:

***Qualified Opinion***

We have audited the accompanying consolidated financial statements of NYSARC, Inc., Essex County Chapter (DBA Mountain Lake Services) and Affiliates (a group of New York State not-for-profit entities), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, except for the effects of the matter discussed in the Basis for Qualified Opinion section of our report, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of NYSARC, Inc., Essex County Chapter (DBA Mountain Lake Services) and Affiliates as of December 31, 2023 and 2022, and the change in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Qualified Opinion***

As more fully described in Note 13 to the consolidated financial statements, the Organization has not determined the cost of certain post-employment benefits in accordance with accounting principles generally accepted in the United States of America, which require the cost of employees' post-employment benefits to be recognized over the employees' respective service periods and a liability to be recognized. Quantification of the effects of that departure on the consolidated financial statements is not practicable.

We conducted our audits 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 NYSARC, Inc., Essex County Chapter (DBA Mountain Lake Services) and Affiliates 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 qualified audit opinion.

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## INDEPENDENT AUDITOR'S REPORT

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### ***Responsibilities of Management for the Financial Statements***

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NYSARC, Inc., Essex County Chapter (DBA Mountain Lake Services) and Affiliates 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 NYSARC, Inc., Essex County Chapter (DBA Mountain Lake Services) and Affiliates' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the NYSARC, Inc., Essex County Chapter (DBA Mountain Lake Services) and Affiliates' 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 audits.

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## INDEPENDENT AUDITOR'S REPORT

(Continued)

### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental information presented in Schedules I, II, III, and IV is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Bonadio & Co., LLP*

**ESSEX COUNTY CHAPTER NYSARC, INC. (D/B/A MOUNTAIN LAKE SERVICES),  
ESSEX COUNTY FACILITIES, INC., ESSEX COUNTY ARC FACILITIES, INC.,  
AND MOUNTAIN LAKE SERVICES FOUNDATION**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 6,520,935	\$ 5,840,682
Investments	21,387,650	18,464,336
Accounts receivable	4,372,762	5,450,288
Inventory	552,837	520,949
Prepaid expenses	<u>331,886</u>	<u>391,700</u>
Total current assets	<u>33,166,070</u>	<u>30,667,955</u>
PROPERTY AND EQUIPMENT, net	<u>4,277,627</u>	<u>4,781,697</u>
OTHER ASSETS:		
Assets held for sale	22,235	87,042
Deposits	107,203	107,203
Cash - board designated	<u>126,366</u>	<u>212,274</u>
Total other assets	<u>255,804</u>	<u>406,519</u>
Total assets	<u>\$ 37,699,501</u>	<u>\$ 35,856,171</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,556,103	\$ 1,750,993
Accrued expenses	3,708,013	3,453,013
Current portion of long-term debt	133,075	133,260
Deferred revenue	810,542	1,101,487
Due to NCMSO	<u>10,000</u>	<u>29,157</u>
Total current liabilities	6,217,733	6,467,910
OTHER LIABILITIES:		
Long-term debt, net of current portion	<u>390,277</u>	<u>-</u>
Total liabilities	<u>6,608,010</u>	<u>6,467,910</u>
NET ASSETS:		
Without donor restrictions:		
Undesignated	30,558,367	28,914,024
Board designated	<u>533,124</u>	<u>474,237</u>
Total net assets	<u>31,091,491</u>	<u>29,388,261</u>
Total liabilities and net assets	<u>\$ 37,699,501</u>	<u>\$ 35,856,171</u>

The accompanying notes are an integral part of these statements.

**ESSEX COUNTY CHAPTER NYSARC, INC. (D/B/A MOUNTAIN LAKE SERVICES),  
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**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
SUPPORT AND REVENUE:		
Program	\$ 46,597,613	\$ 52,428,076
Non-program	<u>3,181,241</u>	<u>(3,268,217)</u>
Total support and revenue	<u>49,778,854</u>	<u>49,159,859</u>
EXPENSES:		
Residential services	27,162,068	25,627,502
Day habilitation	6,467,220	6,436,724
Integrated businesses	2,626,607	2,858,824
Employment services	1,291,323	1,095,209
Early intervention	395,745	315,058
Home based supports and services	853,065	850,131
Article 16 clinic	1,248,647	1,170,408
Fiscal intermediary program	3,296,470	2,388,997
Chapter funds	230,340	220,861
Other state funding	724,438	8,322,854
Agency administration	<u>3,779,701</u>	<u>4,044,259</u>
Total expenses	<u>48,075,624</u>	<u>53,330,827</u>
CHANGE IN NET ASSETS	1,703,230	(4,170,968)
NET ASSETS - beginning of year	<u>29,388,261</u>	<u>33,559,229</u>
NET ASSETS - end of year	<u>\$ 31,091,491</u>	<u>\$ 29,388,261</u>

The accompanying notes are an integral part of these statements.

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**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	2023			2022		
	Program Services	Management and General	Total	Program Services	Management and General	Total
Salaries - staff	\$ 27,869,123	\$ 2,238,289	\$ 30,107,412	\$ 32,051,111	\$ 1,663,916	\$ 33,715,027
Consumer wages	167,301	-	167,301	77,860	-	77,860
Consultant services	633,126	3,026	636,152	719,586	586,316	1,305,902
Employee fringe benefits	<u>8,402,052</u>	<u>689,118</u>	<u>9,091,170</u>	<u>9,649,975</u>	<u>890,101</u>	<u>10,540,076</u>
Total salaries and related costs	37,071,602	2,930,433	40,002,035	42,498,532	3,140,333	45,638,865
Occupancy	1,405,345	47,941	1,453,286	1,417,711	77,779	1,495,490
Professional services	5,984	66,717	72,701	498	77,761	78,259
Travel and transportation	691,622	4,256	695,878	483,158	9,784	492,942
Food costs	707,885	-	707,885	632,282	-	632,282
Office, supplies, etc.	1,015,746	667,719	1,683,465	958,613	501,587	1,460,200
Insurance	231,249	21,187	252,436	354,110	57,673	411,783
Depreciation	1,230,385	37,234	1,267,619	1,241,311	46,167	1,287,478
Telephone	344,945	30,496	375,441	304,411	36,736	341,147
Interest	16,526	-	16,526	20,138	-	20,138
Program participant costs	502,633	-	502,633	393,168	-	393,168
Staff development	190,345	14,023	204,368	102,746	85,980	188,726
Grant expense	23,780	-	23,780	33,006	-	33,006
Contract expense	543,378	-	543,378	559,464	-	559,464
Miscellaneous	317,549	10,220	327,769	285,329	10,459	295,788
Credit loss expense	29,658	-	29,658	808	-	808
Prior year expense	(33,602)	(50,525)	(84,127)	966	-	966
Non-allowable cost	<u>893</u>	<u>-</u>	<u>893</u>	<u>317</u>	<u>-</u>	<u>317</u>
Total expenses	<u>\$ 44,295,923</u>	<u>\$ 3,779,701</u>	<u>\$ 48,075,624</u>	<u>\$ 49,286,568</u>	<u>\$ 4,044,259</u>	<u>\$ 53,330,827</u>

The accompanying notes are an integral part of these statements.

**ESSEX COUNTY CHAPTER NYSARC, INC. (D/B/A MOUNTAIN LAKE SERVICES),  
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**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 1,703,230	\$ (4,170,968)
Adjustments to reconcile change in net assets to net cash flow from operating activities:		
Depreciation and amortization	1,267,619	1,287,478
Net realized and unrealized losses (gains) on investments	(2,280,810)	3,863,929
Gain on sale of property and equipment	(214,936)	(77,857)
Credit loss expense	29,658	-
Changes in:		
Accounts receivable	1,047,868	(1,254,211)
Inventory	(31,888)	(118,245)
Prepaid expenses	59,814	(28,210)
Accounts payable and accrued expenses	60,110	648,660
Due to NCMSO	(19,157)	(94,688)
Deferred revenue	<u>(290,945)</u>	<u>805,771</u>
Net cash flow from operating activities	<u>1,330,563</u>	<u>861,659</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(772,026)	(683,829)
Purchase of investment securities	(667,504)	(797,429)
Proceeds from sale of investment securities	25,000	-
Proceeds from sale of property and equipment	<u>288,220</u>	<u>106,815</u>
Net cash flow from investing activities	<u>(1,126,310)</u>	<u>(1,374,443)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Principal payments on long-term debt	(187,073)	(647,485)
Borrowings of long-term debt	<u>577,165</u>	<u>-</u>
Net cash flow from financing activities	<u>390,092</u>	<u>(647,485)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>594,345</b>	<b>(1,160,269)</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b><u>6,052,956</u></b>	<b><u>7,213,225</u></b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b><u>\$ 6,647,301</u></b>	<b><u>\$ 6,052,956</u></b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>		
Cash paid for interest	<u>\$ 16,526</u>	<u>\$ 20,138</u>

The accompanying notes are an integral part of these statements.



# **NYSARC, INC., ESSEX COUNTY CHAPTER (DBA MOUNTAIN LAKE SERVICES) AND AFFILIATES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022**

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### **1. THE ORGANIZATION**

The Essex County Chapter, NYSARC, Inc. (D/B/A Mountain Lake Services) (Chapter) is an unincorporated chapter of The Arc of New York (NYSARC or The ARC NY) that provides services to disabled individuals. The Chapter operates residential, day habilitation, vocational, clinical, support services, school age programs, and family care programs. The Chapter's revenues are derived from Medicaid, New York State Office for People with Developmental Disabilities (OPWDD), contract sales, and participant fees.

The accompanying consolidated financial statements include the accounts of the Chapter and its affiliates (collectively referred to as the Organization). All material intercompany transactions and balances have been eliminated.

Essex County Facilities, Inc. (FAC 1) was established to acquire and lease assets to the Chapter.

Essex County ARC Facilities, Inc. (FAC 2) was also established to acquire and lease assets to the Chapter.

Mountain Lake Services Foundation (Foundation) was formed to support the charitable purposes of the Chapter. The Foundation's intention is to raise funds and public awareness for the activities of the Chapter.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The consolidated financial statements of the Organization have been prepared in conformity with accounting principles generally accepted in the United States of America, except as described in Note 13.

#### **Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates and such differences may be significant.

#### **Change in Accounting Principle**

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were trade accounts receivable. The Organization adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Cash and Cash Equivalents

Cash and cash equivalents include bank demand deposit accounts and all highly liquid debt instruments purchased with a maturity of three months or less. The Organization's cash balances may at times exceed federally insured limits. The Organization has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash and cash equivalents. The following table provides a reconciliation of cash and cash equivalents reported within the consolidated statement of financial position to the total on the consolidated statement of cash flows at December 31:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$6,520,935	\$5,840,682
Cash - board designated	<u>126,366</u>	<u>212,274</u>
	<u>\$6,647,301</u>	<u>\$6,052,956</u>

### Investments

Investments except for certificates of deposit are stated at fair value based on quoted market prices. Certificates of deposit are stated at cost, which approximates fair value. All realized and unrealized gains and losses, net of investment fees and interest income are reported within non-program revenue in the accompanying consolidated statement of activities.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the accompanying consolidated financial statements.

### Accounts Receivable and Allowance for Credit Losses

Accounts receivable primarily include uncollateralized obligations from Medicaid, consumers, and other third-party payors under credit terms that are customary for similar non-profit organizations. Accounts receivable from Medicaid are generally billed weekly, bi-weekly, or monthly, depending on the type of services provided, and payment is generally due within 30 days.

Accounts for which no payments have been received for several months are considered delinquent and customary collection efforts are begun. After all collection efforts are exhausted the account is written off. The carrying amount of accounts receivable is reduced by a valuation that reflects management's best estimate of amounts that will not be collected. Management estimates the portion, if any, of the balance that will not be collected based upon the Organization's past credit loss experience, an assessment of the payor's current creditworthiness, and applicable Medicaid billing regulations. Estimated uncollectible amounts are generally considered implicit price concessions or part of the allowance for credit losses that are a direct reduction to accounts receivable.

The Chapter operates in the human services industry and its accounts receivables are primarily derived from governmental programs or service recipients. The Chapter also has an Integrated Business component which derives its receivable from trade. The Chapter recognizes an expected allowance for credit losses that is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist and receivables evaluated individually when specific customer balances no longer share those risk characteristic and are considered at risk or uncollectible.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Accounts Receivable and Allowance for Credit Losses (Continued)

The estimated allowance for credit losses is based on historical, current and expected future conditions. The historical component is derived from a review of the Organization's historical losses based on the aging of receivables. The Organization does not expect the impact of current and expected future conditions impacting the payor to have a significant impact on accounts receivable. A roll forward of the allowance for credit losses is as follows:

Allowance for credit losses, January 1, 2023	\$	-
Provision for credit losses		29,658
Write offs		<u>(29,658)</u>
Allowance for credit losses, December 31, 2023	\$	<u>-</u>

### Inventories

Inventories consist of supplies and are stated at the lower of cost or net realizable value. Cost is determined using the average cost method.

### Property and Equipment

Property and equipment are stated at cost or, in the case of donated assets, at fair market value at the date of donation, less accumulated depreciation and amortization. All significant property and equipment additions greater than \$5,000 with an estimated useful life beyond one year are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated lives used in determining depreciation and amortization are as follows:

Buildings and improvement	15 - 25 years
Furniture, fixtures, and equipment	5 - 20 years
Leasehold improvements	15 years
Vehicles	4 years

Maintenance and repairs are charged to operations when incurred; betterments and renewals are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation are relieved, and any gain or loss is included in operations.

### Assets Held for Sale

Assets held for sale represents two buildings owned by FAC 1 and leased to the Chapter as well as certain Chapter leasehold improvements and equipment that are no longer used in operations. In 2023, one of the buildings and related assets was sold for \$250,000. As of the date the financial statements were issued, the other building and related assets have been sold for a total sale price of \$187,500.

### Impairment of Long-Lived Assets

The Organization assesses its long-lived assets for impairment when events or circumstances indicate their carrying amounts may not be recoverable. This is accomplished by comparing the expected undiscounted future cash flows of the long-lived assets with the respective carrying amount as of the date of assessment. If the expected undiscounted future cash flows exceed the respective carrying amount as of the date of assessment, the long-lived assets are considered not to be impaired. If the expected undiscounted future cash flows are less than the carrying value, an impairment loss is recognized and measured as the difference between the carrying value and the fair value of the long-lived assets. No impairment loss of long-lived assets was recognized in 2023 and 2022, respectively.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Deferred revenue**

Deferred revenue represents contributions and grants received in advance of the funds being earned. These have both barriers to overcome and a right of return of the funds associated with them.

### **Financial Reporting**

The Organization reports its activities and the related net assets using two net asset categories: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions include resources that are available for the support of the Organization's operating activities. In addition, they may include other resources designated by the Board for specific purposes. These resources are not subject to donor restrictions.

The Foundation was created in 2011 for the benefit of the Chapter. All fundraising revenue and expenses were accounted for through the Foundation. Also, the contribution portion of membership income was reported through the Foundation. These funds will be held in the Foundation to benefit future operations of the Chapter in whatever form the board of directors determines and, as such, are considered board designated funds in these consolidated financial statements.

Net assets with donor restrictions include resources that have been donated to the Organization subject to purpose or time restrictions as defined by the donor. There are no net assets with donor restrictions as of December 31, 2023 and 2022.

### **Contributions**

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 consolidated statements of activities as net assets released from restriction. The Organization reports donor-restricted contributions as net assets without donor restrictions whenever the restrictions are met in the same year the contributions are received.

### **Revenue Recognition**

The Organization receives substantially all of its revenue for services provided from third-party reimbursement agencies, primarily OPWDD and Medicaid. Revenue is based on predetermined rates and cost reimbursement principles, which are subject to audit and retroactive adjustment, by the respective third-party fiscal intermediaries. Revenue is recognized when the Organization satisfies their performance obligations under contracts by transferring services to individuals at a point in time. The Organization's performance obligations include providing clinical services, community and day habilitation services, residential services, work programs and family support services, and other services to individuals with intellectual and/or other developmental disabilities.

The transaction price is based on established charges for services provided determined using the output method. These rates are determined by allowable expenditures in rate setting periods. The Organization expects to collect established charges. The Organization performs an assessment of individuals' ability to pay for the services provided prior to performing services. Based on this, the Organization determined that there are no implicit price concessions provided to individuals.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Revenue Recognition (Continued)

Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Settlements with third-party payors for retroactive revenue adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing services using the most likely outcome method. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor and historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations.

Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement. Laws and regulations governing the Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

Sales revenues are recognized as goods are shipped or as the Organization satisfies their performance obligations under established contracts with commercial customers.

Performance obligations for all of the Organization's services are provided and consumed at a point in time, not over time, and therefore these types of fees allocated to performance obligations are not left unsatisfied or partially unsatisfied at the end of the reporting period. Residential services are recognized at a point in time based on the unilateral right to terminate the contract.

Revenues are charged and collected routinely throughout the month. Amounts that remain uncollected at the end of the month are recorded as accounts receivable. The estimated allowance for credit losses is based on historical, current, and expected future economic conditions. Accounts receivable are written off when they are determined to be uncollectible.

The Organization reviews individual contracts at the time of performance, in order to determine estimated uncollectible accounts due from third-party payors or private pay individuals and records these implicit price concessions as a direct reduction to revenue. Estimates of implicit price concession are determined based on historical collection experience using a portfolio approach as a practical expedient to account for the contracts as a collective group. Based on this, the Organization determined that there are no implicit price concessions for the years ended December 31, 2023 and 2022.

The Organization received approximately \$39,300,000 and \$38,800,000 during 2023 and 2022, respectively, from Medicaid in support of its programmatic activities. This represents 86% and 74% of the Organization's program revenue for the years ended December 31, 2023 and 2022, respectively. Substantially all accounts receivable are due from Medicaid as of December 31, 2023 and 2022. The accounts receivable balance as of December 31, 2021 was \$4,196,077.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Functional Expenses**

The costs of providing various programs and supporting services have been summarized on a functional basis in the consolidated statement of functional expenses. Accordingly, certain costs have been allocated amongst the programs and supporting services benefited. The expenses with the most significant allocations include depreciation, utilities, repairs and maintenance and other occupancy expenses which are allocated on a square-footage basis. Transportation expenses are allocated using number of trips. Salaries are allocated on the basis of estimates of time and effort; benefits are allocated using total salaries for the specific programs. Administration and clinical expenses are allocated on a ratio value basis.

### **Income Taxes**

NYSARC, Inc., Essex County Chapter (DBA Mountain Lake Services) (the Chapter) is a not-for-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Chapter has also been classified by the Internal Revenue Service as an entity that is not a private foundation. The Chapter is an unincorporated chapter of NYSARC covered by a group ruling. FAC 1 is a not-for-profit corporation organized pursuant to Section 501(c)(2) of the Internal Revenue Code. FAC 1 has also been classified by the Internal Revenue Service as an entity that is not a private foundation. FAC 2 is a not-for-profit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code. FAC 2 has also been classified by the Internal Revenue Service as an entity that is not a private foundation. The Foundation is a not-for-profit corporation organized pursuant to Section 501(c)(3) of the Internal Revenue Code. The Foundation has also been classified by the Internal Revenue Service as an entity that is not a private foundation.

### **Sales Tax**

The Organization is required to collect, on behalf of certain states, sales tax based on a percentage of qualifying sales. The Organization's policy is to exclude sales taxes from the transaction price of all revenue when collected, and from expenses when paid. Instead, the Organization records the collection and payment of sales taxes through a liability account.

### **Fair Value Measurement – Definition and Hierarchy**

The Organization uses various valuation techniques in determining fair value and classifies them into a three-level hierarchy based on the nature of inputs. Level 1 valuations are based on quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access. Level 2 valuations are based on inputs, other than quoted prices included within Level 1 that are observable either directly or indirectly. Level 3 valuations are based on inputs that are unobservable and significant to the overall fair value measurement. The Organization's investments in mutual fund equity and fixed income securities are primarily valued utilizing Level 1 inputs. The Organization has no assets or liabilities that are measured using Level 2 or Level 3 inputs.

### 3. LIQUIDITY

The Organization is substantially supported by Medicaid revenue generated by its operations. In addition, some support is received from government grants, donors, and investment earnings. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash and cash equivalents	\$ 6,647,301	\$ 6,052,956
Investments	21,387,650	18,464,336
Accounts receivable	4,372,762	5,450,288
Deposits	<u>107,203</u>	<u>107,203</u>
Total financial assets	32,514,916	30,074,783
Less: those financial assets unavailable for general expenditures within one year:		
Board designated net assets	(533,124)	(474,237)
Deposits	<u>(107,203)</u>	<u>(107,203)</u>
Financial assets available to meet cash needs for general expenditure	<u>\$ 31,874,589</u>	<u>\$ 29,493,343</u>

The Organization's ability to meet its cash needs is highly dependent on timely collection of its accounts receivable. The Organization's accounts receivable are due primarily from government funders and third-party payors including Medicaid. Many of these arrangements require the Organization to incur costs in advance and then bill for reimbursements after the cash outlay has been made. The Organization has designed procedures to collect from these payors as quickly as possible. However, timeliness of these payments can sometimes be difficult to predict. Due to this factor, as part of the Organization's liquidity management policy, the Organization has lines-of-credit available (see Note 7), which it can draw upon throughout the year. In addition, the board designated funds may be spent at the discretion of the board.

### 4. INVESTMENTS

The following table summarizes investments as of December 31:

	<u>2023</u>	<u>2022</u>
Mutual funds - equities	\$ 12,011,783	\$ 11,018,162
Mutual funds - fixed income	9,273,041	7,446,174
Certificates of deposit	<u>102,826</u>	<u>-</u>
	<u>\$ 21,387,650</u>	<u>\$ 18,464,336</u>

## 5. INVENTORIES

Inventories consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Canoe products	\$ 333,918	\$ 320,420
Picnic tables and porch furniture	51,548	39,223
Other	<u>167,371</u>	<u>161,306</u>
	<u>\$ 552,837</u>	<u>\$ 520,949</u>

## 6. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Land	\$ 48,371	\$ 48,371
Buildings and improvements	19,411,566	19,811,036
Leasehold improvements	6,504,566	6,399,826
Furniture, fixtures and equipment	2,992,694	2,956,477
Construction in progress	26,319	18,489
Vehicles	<u>4,167,579</u>	<u>4,002,426</u>
	33,151,095	33,236,625
Less: Accumulated depreciation	<u>(28,873,468)</u>	<u>(28,454,928)</u>
	<u>\$ 4,277,627</u>	<u>\$ 4,781,697</u>

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$1,267,619 and \$1,287,478, respectively.

## 7. LONG-TERM DEBT AND FINANCING ARRANGEMENTS

### Long-Term Debt

Long-term debt consisted of the following as of December 31:

	<u>2023</u>	<u>2022</u>
Notes payable by the Chapter to Glens Falls National Bank in monthly installments ranging from \$2,627 to \$13,699, including interest ranging from 3.80% to 6.50% with maturity dates ranging from 2023 to 2027. These notes are secured by vehicles.	\$ 523,352	\$ 26,808
Notes payable by FAC 2 to Glens Falls National Bank in monthly installments ranging from \$1,790 to \$2,704, including interest of 4.32% and 3.84%, as of 2022 and 2021, respectively, maturing in April 2023. These notes are secured by real property.	<u>-</u>	<u>106,452</u>
Long-term debt	<u>\$ 523,352</u>	<u>\$ 133,260</u>



## 7. LONG-TERM DEBT AND FINANCING ARRANGEMENTS (Continued)

Future maturities of long-term debt are as follows at December 31:

2024	\$	133,075
2025		142,212
2026		151,872
2027		<u>96,193</u>
	\$	<u>523,352</u>

Notes payable are subject to a covenant to provide audited financial statements to the Bank within 120 days after year-end. A waiver was obtained from the bank for the year ended December 31, 2023.

### Lines of Credit

The Chapter has available a line-of-credit in the amount of \$2,000,000 and an equipment line-of-credit of \$1,300,000. These lines are unsecured and bear interest at the bank's prime rate. There was no amount outstanding on either line-of-credit as of December 31, 2023 and 2022.

### Supplemental Cash Flow Information

Interest paid during 2023 and 2022 under the terms of all financing arrangements by the Organization was approximately \$16,000 and \$20,000, respectively.

## 8. DUE TO GOVERNMENTAL AGENCIES

Amounts due to governmental agencies consist of amounts due to OPWDD and other third parties. Amounts represent funding advances and overpayments received by the Chapter not yet repaid to the funding source. Repayment is typically made through a reduction in future payments by the funding source to the Chapter.

## 9. PENSION PLAN

In July 2020, The Arc New York Board of Governors approved a resolution to create a single retirement plan for all NYSARC Chapters called The Arc New York Affiliated Employers 401(k) Plan (the Affiliated Plan). On December 21, 2020, the Chapter adopted an amendment to their former Plan that merged the Plan into the Affiliated Plan. The plan merger date was December 21, 2020 and all assets of the Plan were transferred to the Affiliated Plan in December 2020 and January 2021. The Affiliated Plan covers all employees except student interns, grant employees, piece rate employees, self directed direct support professionals, and interns. To receive employer contributions under the Plan, you must be an eligible employee and work for the Chapter for at least a twelve month period. The Chapters contribution is 10% of an eligible employees gross compensation. Employees become participants and eligible for employer contributions on the first payroll period following their completion of one year of service. Employees become participants and eligible for employee deferrals on the first payroll period after their date of hire. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Total expenses incurred in connection with the plans were \$2,443,046 and \$2,886,623 for the years ended December 31, 2023 and 2022, respectively.

## 10. FAIR VALUE MEASUREMENTS

The following are measured at fair value on a recurring basis as of December 31:

<u>Description</u>	<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>	<u>Total</u>
<u>December 31, 2023</u>				
Mutual funds - equities	\$ 12,011,783	\$ -	\$ -	\$ 12,011,783
Mutual funds - fixed income	<u>9,273,041</u>	<u>-</u>	<u>-</u>	<u>9,273,041</u>
	<u>\$ 21,284,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,284,824</u>
<u>December 31, 2022</u>				
Mutual funds - equities	\$ 11,018,162	\$ -	\$ -	\$ 11,018,162
Mutual funds - fixed income	<u>7,446,174</u>	<u>-</u>	<u>-</u>	<u>7,446,174</u>
	<u>\$ 18,464,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,464,336</u>

There were no changes to valuation inputs during 2023 and 2022.

## 11. RELATED PARTY TRANSACTIONS

The Organization is affiliated with the NYSARC – North Country Management Services Corporation (MSO). The MSO was incorporated in 2014 as a not-for-profit corporation to support and benefit NYSARC by providing a range of technical, administrative, and other supportive services for the Organization and three other NYSARC Chapters.

The Organization pays a monthly fee to the MSO for administrative services. The total costs of administrative services paid to the MSO were \$117,675 and \$752,255 for the period ending December 31, 2023 and 2022, respectively.

During 2022, a decision was made to wind down the MSO and move respective employees back to their Chapters. This process began during 2022 and was complete during 2023.

## 12. COMMITMENTS AND CONTINGENCIES

### Compliance with Funding Sources

The Chapter is subject to audits and/or evaluations of reimbursable costs and program activities. The outcome of such audits or evaluations may have the effect of retroactively increasing or decreasing revenue. In the event that a subsequent audit or evaluation determines that an adjustment is required, the amount will be recognized in the period in which it becomes fixed and determinable.

### Participant Accounts

The Chapter is custodian of participants' personal allowance funds. OPWDD regulations provide for the use of these funds for authorized and allowable purchases for participant's personal items. Those regulations prohibit the Chapter from using the funds for operations or co-mingling the funds with any of its existing accounts. The total balance of these custodial accounts at December 31, 2023 and 2022 was \$241,438 and \$292,606, respectively.

## **12. COMMITMENTS AND CONTINGENCIES (Continued)**

### **Litigation**

From time to time, the Organization is involved in lawsuits or other legal disputes arising in the ordinary course of business. In the opinion of management, the final outcome of these matters will not have a material effect on the Organization's financial position or results of operations.

### **Post-Retirement Benefits**

Terminated employees with ten years or more of service and unused sick time are able to continue their health insurance coverage until the accrued dollar amount is exhausted. The employee has the right to refuse such coverage and retirees have this insurance paid through a different program. Former employees will not be compensated in any other form. The liability for this is not reflected in these financial statements because it is uncertain whether such benefits will be paid. The liability for former employees exercising this benefit is \$166,766 and \$186,540 at December 31, 2023 and 2022, respectively, and is shown in the accompanying consolidated financial statements within accrued expenses.

### **Operating Leases**

The Chapter leases land, buildings, and vehicles under operating leases expiring in various years from Essex County Facilities, Inc. and Essex County ARC Facilities, Inc. The rent income and rent expense incurred from these leases was eliminated in the preparation of these consolidated financial statements.

Other lease obligations are outstanding with various private individuals and businesses. Total short-term rent expense on these leases for 2023 and 2022 was \$57,669 and \$71,966, respectively. These leases all fall under the short-term lease exception. The Organization has elected to not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise.

### **Workforce Stabilization Initiatives Funding**

In 2022, the Organization received approximately \$7,930,000 under the enhanced Federal Medical Assistance Percentage (eFMAP) for retention and longevity bonuses, which was established under the American Rescue Plan to provide financial relief to Home and Community Based Service employees that worked throughout the COVID-19 pandemic. This funding is recorded as other state funded revenue and salaries and fringe benefit expense in the accompanying consolidated financial statements. The eFMAP funds are required to be distributed as formula-based bonuses to certain employees in two categories within 90 days and 180 days of their receipt. The Organization fully distributed these funds to individuals in accordance with the requirements set forth by the funding source. In 2023, the Organization received approximately \$724,000 under the eFMAP that is recorded as other program revenue and salaries and fringe benefit expense in the accompanying consolidated financial statements.

## **13. DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**

Accounting Standards require that the estimated current year cost and projected total cost of the post-retirement benefits mentioned in Note 12 be recognized in these consolidated financial statements. The Organization has elected to not recognize these amounts due to the costs associated with estimating them. The effect of this departure on these consolidated financial statements is not reasonably determinable. The Organization has implemented a plan phasing this benefit out over time by instituting a tiered system.

#### **14. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through May 21, 2024, which is the date the financial statements were issued.

**ESSEX COUNTY CHAPTER NYSARC, INC. (D/B/A MOUNTAIN LAKE SERVICES),  
ESSEX COUNTY FACILITIES, INC., ESSEX COUNTY ARC FACILITIES, INC.,  
AND MOUNTAIN LAKE SERVICES FOUNDATION**

Schedule I

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**DECEMBER 31, 2023**

(With Comparative Totals for 2022)

	Essex County Chapter NYSARC, Inc.	Essex County Facilities, Inc.	Essex County ARC Facilities, Inc.	Mountain Lake Services Foundation	Eliminations	2023	2022
<b>ASSETS</b>							
<b>CURRENT ASSETS:</b>							
Cash and cash equivalents	\$ 5,169,836	\$ 719,716	\$ 631,383	\$ -	\$ -	\$ 6,520,935	\$ 5,840,682
Investments	20,980,299	-	-	407,351	-	21,387,650	18,464,336
Accounts receivable	4,372,762	-	-	-	-	4,372,762	5,450,288
Inventory	552,837	-	-	-	-	552,837	520,949
Prepaid expenses	330,339	-	-	1,547	-	331,886	391,700
Total current assets	<u>31,406,073</u>	<u>719,716</u>	<u>631,383</u>	<u>408,898</u>	<u>-</u>	<u>33,166,070</u>	<u>30,667,955</u>
<b>PROPERTY AND EQUIPMENT, net</b>	2,852,732	329,895	1,095,000	-	-	4,277,627	4,781,697
<b>OTHER ASSETS:</b>							
Due from affiliate	624,899	-	101,889	-	(726,788)	-	-
Assets held for sale	22,235	-	-	-	-	22,235	87,042
Deposits	107,203	-	-	-	-	107,203	107,203
Cash - board designated	-	-	-	126,366	-	126,366	212,274
Total other assets	<u>754,337</u>	<u>-</u>	<u>101,889</u>	<u>126,366</u>	<u>(726,788)</u>	<u>255,804</u>	<u>406,519</u>
	<u>\$ 35,013,142</u>	<u>\$ 1,049,611</u>	<u>\$ 1,828,272</u>	<u>\$ 535,264</u>	<u>\$ (726,788)</u>	<u>\$ 37,699,501</u>	<u>\$ 35,856,171</u>
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES:</b>							
Accounts payable	\$ 1,554,203	\$ -	\$ -	1,900	\$ -	\$ 1,556,103	\$ 1,750,993
Accrued expenses	3,708,013	-	-	-	-	3,708,013	3,453,013
Current portion of long-term debt	133,075	-	-	-	-	133,075	133,260
Deferred revenue	808,000	2,542	-	-	-	810,542	1,101,487
Due to NCMSO	10,000	-	-	-	-	10,000	29,157
Total current liabilities	<u>6,213,291</u>	<u>2,542</u>	<u>-</u>	<u>1,900</u>	<u>-</u>	<u>6,217,733</u>	<u>6,467,910</u>
<b>OTHER LIABILITIES:</b>							
Due to affiliate	312,526	220,579	193,443	240	(726,788)	-	-
Long-term debt, net of current portion	390,277	-	-	-	-	390,277	-
Total liabilities	<u>6,916,094</u>	<u>223,121</u>	<u>193,443</u>	<u>2,140</u>	<u>(726,788)</u>	<u>6,608,010</u>	<u>6,467,910</u>
<b>NET ASSETS:</b>							
Without donor restrictions:							
Undesignated	28,097,048	826,490	1,634,829	-	-	30,558,367	28,914,024
Board designated	-	-	-	533,124	-	533,124	474,237
Total net assets	<u>28,097,048</u>	<u>826,490</u>	<u>1,634,829</u>	<u>533,124</u>	<u>-</u>	<u>31,091,491</u>	<u>29,388,261</u>
	<u>\$ 35,013,142</u>	<u>\$ 1,049,611</u>	<u>\$ 1,828,272</u>	<u>\$ 535,264</u>	<u>\$ (726,788)</u>	<u>\$ 37,699,501</u>	<u>\$ 35,856,171</u>

The accompanying notes are an integral part of these schedules.

**ESSEX COUNTY CHAPTER NYSARC, INC. (D/B/A MOUNTAIN LAKE SERVICES),  
ESSEX COUNTY FACILITIES, INC., ESSEX COUNTY ARC FACILITIES, INC.,  
AND MOUNTAIN LAKE SERVICES FOUNDATION**

**CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

**FOR THE YEARS ENDED DECEMBER 31, 2023**

(With Comparative Totals for 2022)

	Essex County Chapter NYSARC, Inc.	Essex County Facilities, Inc.	Essex County ARC Facilities, Inc.	Mountain Lake Services Foundation	Eliminations	2023	2022
<b>SUPPORT AND REVENUE:</b>							
Program	\$ 46,441,223	\$ 30,500	\$ 960,700	\$ -	\$ (834,810)	\$ 46,597,613	\$ 52,428,076
Non-program	3,085,956	357	169	94,759	-	3,181,241	(3,268,217)
<b>Total support and revenue</b>	<b>49,527,179</b>	<b>30,857</b>	<b>960,869</b>	<b>94,759</b>	<b>(834,810)</b>	<b>49,778,854</b>	<b>49,159,859</b>
<b>EXPENSES:</b>							
Residential services	27,427,513	12,818	526,047	-	(804,310)	27,162,068	25,627,502
Day habilitation	6,467,220	-	-	-	-	6,467,220	6,436,724
Integrated businesses	2,657,107	-	-	-	(30,500)	2,626,607	2,858,824
Employment services	1,291,323	-	-	-	-	1,291,323	1,095,209
Early intervention	395,745	-	-	-	-	395,745	315,058
Home based supports and services	853,065	-	-	-	-	853,065	850,131
Article 16 clinic	1,248,647	-	-	-	-	1,248,647	1,170,408
Fiscal intermediary program	3,296,470	-	-	-	-	3,296,470	2,388,997
Chapter funds	194,468	-	-	35,872	-	230,340	220,861
Other state funding	724,438	-	-	-	-	724,438	8,322,854
Agency Administration	3,779,701	-	-	-	-	3,779,701	4,044,259
<b>Total expenses</b>	<b>48,335,697</b>	<b>12,818</b>	<b>526,047</b>	<b>35,872</b>	<b>(834,810)</b>	<b>48,075,624</b>	<b>53,330,827</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,191,482</b>	<b>18,039</b>	<b>434,822</b>	<b>58,887</b>	<b>-</b>	<b>1,703,230</b>	<b>(4,170,968)</b>
<b>NET ASSETS - beginning of year</b>	<b>26,905,566</b>	<b>808,451</b>	<b>1,200,007</b>	<b>474,237</b>	<b>-</b>	<b>29,388,261</b>	<b>33,559,229</b>
<b>NET ASSETS - end of year</b>	<b>\$ 28,097,048</b>	<b>\$ 826,490</b>	<b>\$ 1,634,829</b>	<b>\$ 533,124</b>	<b>\$ -</b>	<b>\$ 31,091,491</b>	<b>\$ 29,388,261</b>

The accompanying notes are an integral part of these schedules.

ESSEX COUNTY CHAPTER NYSARC, INC. (D/B/A MOUNTAIN LAKE SERVICES)

SCHEDULE OF SUPPORT AND REVENUE RELATED TO FUNCTIONAL EXPENSES - CHAPTER ONLY  
FOR THE YEAR ENDED DECEMBER 31, 2023

(With Comparative Totals for 2022)

	Residential Services	Day Habilitation	Integrated Businesses	Employment Services	Early Intervention	Home Based Supports & Services	Article 16 Clinic	Fiscal Intermediary Program	Chapter Funds	Other State Funding	Agency Administration	2023 Total	2022 Total
<b>PROGRAM SUPPORT AND REVENUE</b>													
Participant fees	\$ 2,451,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,451,673	\$ 2,388,787
Access VR	-	-	-	83,259	-	-	-	-	-	-	-	83,259	54,809
Medicaid	26,527,635	7,516,176	-	1,238,313	-	357,571	1,136,573	2,572,983	-	-	-	39,349,251	38,803,820
Other (property/supplemental/food stamps)	627,095	15,444	-	-	-	-	-	-	-	724,149	-	642,539	695,141
Other state funding (eFMAP)	-	-	-	-	-	-	-	-	-	-	-	724,149	8,321,215
Contract revenue	-	-	1,653,146	-	-	255,950	-	1,105,015	-	-	-	3,014,111	2,057,273
SED	-	-	-	-	37,226	-	-	-	-	-	-	37,226	24,650
Children's program	-	-	-	-	47,618	-	-	-	-	-	-	47,618	12,322
Preschool/evaluations	-	-	-	-	13,990	-	-	-	-	-	-	13,990	7,320
School contract	-	-	-	-	10,438	-	-	-	-	-	-	10,438	11,976
Related services	-	-	-	-	31,552	-	-	-	-	-	-	31,552	44,159
Prior year activity	5,869	3,933	593	(13,445)	5,289	12,947	-	20,191	40	-	-	35,417	6,604
<b>Total program support and revenue</b>	<b>29,612,272</b>	<b>7,535,553</b>	<b>1,653,739</b>	<b>1,308,127</b>	<b>146,113</b>	<b>626,468</b>	<b>1,136,573</b>	<b>3,698,189</b>	<b>40</b>	<b>724,149</b>	<b>-</b>	<b>46,441,223</b>	<b>52,428,076</b>
<b>NON-PROGRAM SUPPORT AND REVENUE</b>													
Contributions	-	-	8	-	6,360	-	-	-	969	-	-	7,337	15,254
Other revenue	26,753	-	12,076	8,854	1,938	-	-	-	10,891	-	-	60,512	3,313
Gain (loss) on sale of investments	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized gain on investments	-	-	-	-	-	-	-	-	2,280,810	-	-	2,280,810	(3,863,929)
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	58,546	-	-	58,546	77,857
Interest & dividend revenue	-	-	-	-	-	-	-	-	501,681	-	67	501,748	402,592
Grant revenue	-	-	10,284	-	-	-	-	-	65,560	-	-	75,844	101,167
NADSP revenue	71,523	21,435	265	2,445	-	5,466	25	-	-	-	-	101,159	-
<b>Total non-program support and revenue</b>	<b>98,276</b>	<b>21,435</b>	<b>22,633</b>	<b>11,299</b>	<b>8,298</b>	<b>5,466</b>	<b>25</b>	<b>-</b>	<b>2,918,457</b>	<b>-</b>	<b>67</b>	<b>3,085,956</b>	<b>(3,263,746)</b>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>27,427,513</b>	<b>6,467,220</b>	<b>2,657,107</b>	<b>1,291,323</b>	<b>395,745</b>	<b>853,065</b>	<b>1,248,647</b>	<b>3,296,470</b>	<b>194,468</b>	<b>724,438</b>	<b>3,779,701</b>	<b>48,335,697</b>	<b>53,347,000</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 2,283,035</b>	<b>\$ 1,089,768</b>	<b>\$ (980,735)</b>	<b>\$ 28,103</b>	<b>\$ (241,334)</b>	<b>\$ (221,131)</b>	<b>\$ (112,049)</b>	<b>\$ 401,719</b>	<b>\$ 2,724,029</b>	<b>\$ (289)</b>	<b>\$ (3,779,634)</b>	<b>\$ 1,191,482</b>	<b>\$ (4,182,670)</b>
<b>PRIOR YEAR CHANGE IN NET ASSETS</b>	<b>\$ 2,752,441</b>	<b>\$ 1,781,076</b>	<b>\$ (1,233,063)</b>	<b>\$ 253,402</b>	<b>\$ (207,185)</b>	<b>\$ (191,890)</b>	<b>\$ 5,053</b>	<b>\$ 170,717</b>	<b>\$ (3,485,009)</b>	<b>\$ 15,790</b>	<b>\$ (4,044,002)</b>	<b>\$ (4,182,670)</b>	

ESSEX COUNTY CHAPTER NYSARC, INC. (D/B/A MOUNTAIN LAKE SERVICES)

SCHEDULE OF FUNCTIONAL EXPENSES - CHAPTER ONLY  
FOR THE YEAR ENDED DECEMBER 31, 2023

(With Comparative Totals for 2022)

	Program										Support Services		2022 Total
	Residential Services	Day Habilitation	Integrated Businesses	Employment Services	Early Intervention	Home Based Supports & Services	Article 16 Clinic	Fiscal Intermediary Program	Chapter Funds	Other State Funding	Total Program	Agency Administration	
Salaries - staff	\$ 17,190,493	\$ 4,317,541	\$ 1,160,091	\$ 892,758	\$ 282,431	\$ 502,099	\$ 418,556	\$ 2,410,078	\$ 47,645	\$ 645,312	\$ 27,867,004	\$ 2,238,289	\$ 30,105,293
Consumer wages	-	-	167,301	-	-	-	-	-	-	-	167,301	-	167,301
Consultant services	40,772	6,435	8,723	1,210	-	-	575,986	-	-	-	633,126	3,026	636,152
Employee fringe benefits	5,462,743	1,381,246	338,634	314,654	91,202	167,368	143,288	406,559	17,032	79,126	8,402,052	689,118	9,091,170
Total salaries and related costs	22,694,008	5,705,222	1,674,949	1,208,622	373,633	669,467	1,137,830	2,816,637	64,677	724,438	37,069,483	2,930,433	39,999,916
Occupancy	1,850,013	125,516	189,117	10,674	2,482	5,847	52,655	3,851	-	-	2,240,155	47,941	2,288,096
Professional services	-	375	5,159	-	-	-	-	-	-	-	5,534	66,717	72,251
Travel and transportation	355,755	227,361	18,226	28,623	7,272	52,752	1,271	337	25	-	691,622	4,256	695,878
Food costs	633,968	70,619	327	-	-	2,971	-	-	-	-	707,885	-	707,885
Office, supplies, etc.	834,366	66,114	37,276	7,183	7,255	34,912	11,941	12,472	31	-	1,011,550	667,719	1,679,269
Insurance	111,977	32,259	40,320	6,916	2,049	4,403	32,049	1,276	-	-	231,249	21,187	252,436
Depreciation	376,782	185,074	81,300	17,338	-	32,234	617	116	-	-	693,461	37,234	730,695
Telephone	284,902	23,143	15,598	6,595	90	6,546	6,552	1,517	-	-	344,945	30,496	375,441
Interest	14,866	69	-	-	-	-	-	-	-	-	14,935	-	14,935
Program participant costs	47,250	-	-	-	-	-	-	455,383	-	-	502,633	-	502,633
Staff development	144,372	30,059	8,690	5,095	547	1,427	155	-	-	-	190,345	14,023	204,368
Grant expense	-	-	10,264	-	-	-	-	-	-	-	23,780	-	23,780
Contract expense	-	-	543,378	-	-	-	-	-	13,516	-	543,378	-	543,378
Miscellaneous	110,395	1,052	11,126	158	2,417	38,805	4,614	3,306	116,219	-	288,092	10,220	298,312
Credit loss expense	2,531	357	21,377	119	-	3,699	75	1,575	-	-	29,658	-	29,658
Prior year expense	(33,677)	-	-	-	-	-	888	-	-	-	(33,602)	-	(33,602)
Non-allowable cost	5	-	-	-	-	-	-	-	-	-	893	-	893
Total expenses	\$ 27,427,513	\$ 6,467,220	\$ 2,657,107	\$ 1,291,323	\$ 395,745	\$ 853,065	\$ 1,248,647	\$ 3,296,470	\$ 194,468	\$ 724,438	\$ 44,555,996	\$ 3,779,701	\$ 48,335,697
													\$ 53,347,000