CONSOLIDATED FINANCIAL STATEMENTS

The Arc of the United States and Affiliates

FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2020

The Arc of the United States and Affiliates

CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
The Arc of the United States and Affiliates
Washington, D.C.

Opinion

We have audited the accompanying consolidated financial statements of The Arc of the United States and Affiliates (the Organizations), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organizations as of December 31, 2021, and the consolidated change in its net assets and its cash flows for the year 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 Consolidated Financial Statements section of our report. We are required to be independent of the Organizations 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Organizations' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated 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.

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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, including omissions, 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 Organizations' 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 Organizations' 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.

Report on Summarized Comparative Information

We have previously audited the Organizations' 2020 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position on pages 22 - 23, and Consolidating Schedule of Activities and Change in Net Assets on pages 24 - 25 are presented for purposes of additional analysis and are 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.

Gelman Rozenberg & Freedman

April 11, 2022

The Arc of the United States and Affiliates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020

ASSETS

	2021	2020
CURRENT ASSETS		
Cash and cash equivalents	$ 2,609,458	$ 1,635,717
Investments	13,022,138	10,808,557
Accounts receivable, net of allowance for doubtful accounts of $103,500 and $55,000, for 2021 and 2020, respectively	1,022,640	1,590,565
Grants receivable	120,851	107,586
Prepaid expenses	135,429	118,615
Total current assets	16,910,516	14,261,040
FIXED ASSETS		
Furniture and equipment	1,491,721	1,913,186
Vehicles	21,859	21,859
Website	886,221	886,221
	2,399,801	2,821,266
Less: Accumulated depreciation and amortization	(2,212,320)	(2,440,004)
Net fixed assets	187,481	381,262
OTHER ASSETS		
Security deposit	50,257	50,257
Investments held for beneficial interest in perpetual trust	1,571,792	1,448,913
Investments, net of current portion	992,097	992,097
Deferred compensation investments	336,184	253,697
Total other assets	2,950,330	2,744,964
TOTAL ASSETS	**$ 20,048,327**	**$ 17,387,266**

The Arc of the United States and Affiliates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 1,132,813	$ 1,078,843
Due to related party	-	6,042
Deferred revenue	38,614	65,252
Refundable advance	-	88,500
Deferred rent, current	192,253	181,562
Accrued contingency liability	160,000	160,000
Total current liabilities	1,523,680	1,580,199
LONG-TERM LIABILITIES		
Deferred rent, net of current portion	85,095	277,347
Deferred compensation	336,184	253,697
Total long-term liabilities	421,279	531,044
Total liabilities	1,944,959	2,111,243
NET ASSETS		
Without donor restrictions:		
Undesignated	5,731,621	2,768,734
Board designated	609,682	609,682
Without donor restriction net assets	6,341,303	3,378,416
With donor restrictions	11,762,065	11,897,607
Total net assets	18,103,368	15,276,023
TOTAL LIABILITIES AND NET ASSETS	**$ 20,048,327**	**$ 17,387,266**

The Arc of the United States and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Contributions	$ 1,299,187	$ 98,232	$ 1,397,419	$ 4,033,839
Affiliation and chapter fees	2,818,539	-	2,818,539	2,848,151
Contributed services	7,740,096	-	7,740,096	4,706,407
Bequest income	1,738,956	77,000	1,815,956	255,660
Registration fees	653,107	-	653,107	310,085
Grants	2,075,435	2,084,409	4,159,844	1,774,124
Program service fees	351,349	-	351,349	412,272
Contracts	700,626	-	700,626	651,263
Investment income, net	1,006,263	731,107	1,737,370	1,614,365
Royalty income	120,713	-	120,713	90,682
Other income	80,685	-	80,685	10,323
Net gain in perpetual trust	-	122,879	122,879	128,541
Net assets released from donor restrictions	3,249,169	(3,249,169)	-	-
Total revenue and support	21,834,125	(135,542)	21,698,583	16,835,712
EXPENSES				
Program Services:				
Chapter Leadership and Development	2,740,886	-	2,740,886	2,323,485
Public Education	624,042	-	624,042	1,591,479
Public Policy	10,473,877	-	10,473,877	6,781,857
Program Innovation	2,934,401	-	2,934,401	3,229,500
Total program services	16,773,206	-	16,773,206	13,926,321
Supporting Services:				
Management and General	605,391	-	605,391	495,784
Fundraising	1,492,641	-	1,492,641	1,071,245
Total supporting services	2,098,032	-	2,098,032	1,567,029
Total expenses	18,871,238	-	18,871,238	15,493,350
Change in net assets	2,962,887	(135,542)	2,827,345	1,342,362
Net assets at beginning of year	3,378,416	11,897,607	15,276,023	13,933,661
NET ASSETS AT END OF YEAR	$ 6,341,303	$ 11,762,065	$ 18,103,368	$ 15,276,023

The Arc of the United States and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020

	2021									2020
	Program Services					Supporting Services				
	Chapter Leadership and Development	Public Education	Public Policy	Program Innovation	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries	$ 1,368,286	$ 228,492	$ 1,580,166	$ 1,417,213	$ 4,594,157	$ 239,926	$ 774,824	$ 1,014,750	$ 5,608,907	$ 5,510,455
Employee benefits	250,562	41,842	289,362	259,521	841,287	43,936	141,887	185,823	1,027,110	981,987
Payroll taxes	104,477	17,447	120,656	108,213	350,793	18,320	59,163	77,483	428,276	394,867
Professional fees	381,644	137,666	132,214	203,750	855,274	38,224	45,560	83,784	939,058	746,609
In-kind professional fees	-	-	7,659,806	-	7,659,806	80,290	-	80,290	7,740,096	4,706,407
Supplies	10,187	2,003	4,670	11,760	28,620	1,888	2,227	4,115	32,735	22,683
Telephone and internet	12,197	5,063	10,882	11,744	39,886	2,170	6,119	8,289	48,175	60,463
Postage and shipping	3,777	1,161	3,996	9,092	18,026	879	98,717	99,596	117,622	144,137
Insurance	8,379	3,973	8,152	6,369	26,873	10,712	4,719	15,431	42,304	13,329
Occupancy and storage	143,383	72,639	155,551	196,144	567,717	31,605	88,331	119,936	687,653	680,174
Outside printing and design	44,081	7,111	24,517	22,042	97,751	402	71,038	71,440	169,191	57,459
Advertising expenses	4,093	5,195	46,416	80,766	136,470	2	41,494	41,496	177,966	170,229
Conferences, meetings and travel	116,158	6,273	42,728	13,453	178,612	10,173	11,714	21,887	200,499	176,742
Subscriptions and dues	55,109	27,198	71,458	10,220	163,985	3,439	13,455	16,894	180,879	208,032
Grants and sub-grants	39,474	-	144,735	446,250	630,459	-	-	-	630,459	705,924
Repairs and maintenance	127,255	60,020	114,126	86,809	388,210	36,250	81,442	117,692	505,902	533,633
Depreciation and amortization	59,060	5,801	54,300	47,596	166,757	6,703	27,310	34,013	200,770	260,812
Bad debt	-	-	-	-	-	74,654	-	74,654	74,654	73,932
Miscellaneous	12,764	2,158	10,142	3,459	28,523	5,818	24,641	30,459	58,982	45,476
TOTAL	**$ 2,740,886**	**$ 624,042**	**$ 10,473,877**	**$ 2,934,401**	**$ 16,773,206**	**$ 605,391**	**$ 1,492,641**	**$ 2,098,032**	**$ 18,871,238**	**$ 15,493,350**

See accompanying notes to consolidated financial statements.

The Arc of the United States and Affiliates

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,827,345	$ 1,342,362
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	200,770	260,812
Unrealized and realized gain on investments	(1,576,956)	(1,440,452)
Net gain in perpetual trust	(122,879)	(128,541)
Change in allowance for doubtful accounts	(48,500)	(33,035)
Decrease (increase) in:		
Accounts receivable	616,425	(736,504)
Grants receivable	(13,265)	88,727
Prepaid expenses	(16,814)	(41,653)
Security deposit	-	(1,000)
Increase (decrease) in:		
Accounts payable and accrued liabilities	53,970	(63,574)
Due to related party	(6,042)	466
Deferred revenue	(26,638)	24,593
Refundable advance	(88,500)	88,500
Deferred rent	(181,561)	(159,603)
Net cash provided (used) by operating activities	1,617,355	(798,902)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(6,989)	(3,500)
Purchase of investments	(1,665,161)	(197,644)
Proceeds from sale of investments	1,028,536	1,605,273
Net cash (used) provided by investing activities	(643,614)	1,404,129
Net increase in cash and cash equivalents	973,741	605,227
Cash and cash equivalents at beginning of year	1,635,717	1,030,490
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 2,609,458**	**$ 1,635,717**

See accompanying notes to consolidated financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization -

The Arc of the United States (The Arc) is the national headquarters of the largest community-based organization of and for people with intellectual and developmental disabilities. The Arc promotes and protects the human rights of people with intellectual and developmental disabilities and actively supports their full inclusion and participation in the community throughout their lifetime.

The Arc provides an array of services and support for families and individuals and includes over 140,000 members affiliated through over 600 state and local chapters across the nation, including training and education assistance with employment and independent living. The Arc is devoted to promoting and improving supports and services for all people with intellectual and developmental disabilities. The Arc is primarily supported by affiliation fees, program revenue and support from the general public.

The Foundation of The Arc of the United States (the Foundation) was established to promote, support and further the interests and purposes of The Arc. The Foundation is primarily supported by contributions from the general public.

Effective January 1, 2019, The Arc's Board of Directors approved the restructuring of The Arc of Georgia Services Corporation (formerly The Georgia Arc Network) and The Arc of the District of Columbia Inc. to be subsidiary corporations of The Arc.

The Arc of the District of Columbia, Inc. (The Arc of D.C.) is a non-profit organization, incorporated in the District of Columbia. The Arc of D.C. promotes and protects the human rights of people with intellectual and development disabilities and actively supports their full inclusion and participation in the community throughout their lifetimes.

The Arc of Georgia Services Corporation (The Arc of GA) is a non-profit organization incorporated in Georgia. The Arc of GA promotes and protects the human rights of people with intellectual and developmental disabilities and actively supports their full inclusion and participation in the community throughout their lifetime. The Arc of GA serves as the Management Trustee of The Arc of Georgia Pooled Trust for Self-Settled Accounts, The Arc of Georgia Pooled Trust for Third Party Accounts, and The Arc of Georgia Pooled Trust Spendthrift Trust, collectively d/b/a The Arc Georgia Pooled Trust.

The Arc of the United States, The Foundation of The Arc of the United States, The Arc of the District of Columbia Inc., and The Arc of Georgia Services Corporation will collectively be referred to as "the Organizations".

The consolidated financial statements reflect the activity of The Arc of the United States, The Foundation of The Arc of the United States, The Arc of Georgia Services Corporation, and The Arc of the District of Columbia Inc. and are presented in accordance with FASB ASC 958-810, *Not-for-Profit Entities*, *Consolidation*, due to the common control and economic interest of the entities. All inter-company transactions have been eliminated.

Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Basis of presentation (continued) -

As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets Without Donor Restrictions -** Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Assets restricted solely through the actions of the Board are referred to as Board designated and are also reported as net assets without donor restrictions.

- **Net Assets With Donor Restrictions -** Net assets may be subject to donor-imposed stipulations that are more restrictive than the Organizations' mission and purpose. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organizations' consolidated financial statements for the year ended December 31, 2020, from which the summarized information was derived.

Cash and cash equivalents -

The Organizations consider all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of $250,000. At times during the year, the Organizations maintain cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment income net of investment expenses provided by external investment advisors in the Consolidated Statement of Activities and Change in Net Assets.

Accounts and grants receivable -

Grants and accounts receivable are stated at their fair value. The allowance for doubtful accounts is determined as a percentage of the total accounts receivables at year-end, including the age of the balance and the historical experience with the donor.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Fixed assets -

Fixed assets are stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. Equipment and furniture costing greater than $1,500 is capitalized. Computers costing greater than $2,000 are capitalized. The cost of maintenance and repairs is recorded as expenses are incurred.

Income taxes -

The Organizations are all exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made in the accompanying consolidated financial statements. The Organizations are not private foundations.

Uncertain tax positions -

For the year ended December 31, 2021, the Organizations have documented their consideration of FASB ASC 740-10, *Income Taxes*, that provides guidance for reporting uncertainty in income taxes and have determined that no material uncertain tax positions qualify for either recognition or disclosure in the consolidated financial statements.

Contributions, bequests, grants and contracts -

The majority of the Organizations' activities are supported by contributions, bequests, grants and contracts from the U.S. Government and other private entities. These awards are for various activities performed by the Organizations. Contributions, bequests, grants and contracts are recognized in the appropriate category of net assets in the period received. The Organizations perform an analysis of the individual contribution, bequest, grant and contract to determine if the revenue streams follow the contribution rules or if they should be recorded as an exchange transaction depending upon whether the transactions are deemed reciprocal or nonreciprocal under ASU 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made.*

For contributions, bequests, grants and contracts qualifying under the contribution rules, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, bequests, grants and contracts qualifying as contributions that are unconditional that have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions; such funds in excess of expenses incurred are shown as net assets with donor restrictions in the accompanying consolidated financial statements.

Contributions, bequests, grants and contracts qualifying as conditional contributions contain a right of return and a barrier. Revenue is recognized when the condition or conditions are satisfied. Most grants and awards from the United States Government and other entities are for direct and indirect program costs. These transactions are nonreciprocal and recognized as contributions when the revenue becomes unconditional.

Funds received in advance of the incurrence of qualifying expenditures are recorded as deferred revenue unless they are from the United States Government which is then recorded as a refundable advance. For contributions and grants treated as contributions, the Organizations had approximately $585,026 in unrecognized conditional awards as of December 31, 2021.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

Affiliation and chapter fees, registration and program services fees -

Revenue received for affiliation and chapter fees, registration and other program service fees are recorded as revenue at the point in time when the performance obligations are satisfied and/or related event has occurred in accordance with ASU 2014-09: *Revenue from Contracts With Customers* (Topic 606), as amended. The Organizations have elected to opt out of all (or certain) disclosures not required for nonprofit entities.Transaction price is determined based on cost and/or sales price. Any amounts received in advance are recorded as deferred revenue within the Consolidated Statement of Financial Position.

Contributed services -

Contributed services consist of legal services. Contributed services are recorded at their fair market value as of the date of the gift.

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 the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area of the Organizations are reported as direct expenses to the programmatic area and those expenses that benefit more than one function are allocated on a basis of estimated time and effort or other reasonable basis.

Risks and uncertainties -

The Organizations invest in various investment securities. Investment securities are exposed to various risks such as interest rates, 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 that such changes could materially affect the amounts reported in the consolidated financial statements.

Fair value measurement -

The Organizations adopted the provisions of FASB ASC 820, *Fair Value Measurement*. FASB ASC 820 defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs (assumptions that market participants would use in pricing assets and liabilities, including assumptions about risk) used to measure fair value, and enhances disclosure requirements for fair value measurement. The Organizations account for a significant portion of their financial instruments at fair value or considers fair value in their measurement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION (Continued)

New accounting pronouncements not yet adopted -

ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* improves generally accepted accounting principles (GAAP) by increasing the transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this Update address certain stakeholders' concerns about the lack of transparency relating to the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in a NFP's programs and other activities. The ASU should be applied on a retrospective basis and is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The amendment will not change the recognition and measurement requirements for those contributed nonfinancial assets.

ASU 2019-01, *Leases* (Topic 842) changes the accounting treatment for operating leases by requiring recognition of a lease asset and lease liability at the present value of the lease payments in the Consolidated Statement of Financial Position and disclosure of key information about leasing arrangements. During 2020, the FASB issued ASU 2020-05 and delayed the implementation date by one year. The ASU is effective for non-public entities beginning after December 15, 2021. Early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach or applied at the beginning of the period of adoption recognizing a cumulative-effect adjustment.

The Organizations plan to adopt the new ASUs at the required implementation dates and management is currently in the process of evaluating the adoption methods and the impact of the new standards on its accompanying consolidated financial statements.

Reclassification -

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year's presentation. These reclassifications had no effect on the previously reported changes in net assets.

Economic uncertainties -

On March 11, 2020, the World Health Organization declared the Coronavirus disease (COVID-19) a global pandemic. As a result of the spread of COVID-19, economic uncertainties have arisen which may negatively impact the Organizations' operations. The overall potential impact is unknown at this time.

2. INVESTMENTS

In accordance with FASB ASC 820, *Fair Value Measurement*, the Organizations have categorized their financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

2. INVESTMENTS (Continued)

If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Organizations have the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There were no transfers between levels in the fair value hierarchy during the year ended December 31, 2021. Transfers between levels are recorded at the end of the reporting period, if applicable.

Mutual funds - Valued at the daily closing price as reported by the fund. Mutual funds held by the Organizations are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organizations are deemed to be actively traded.

The table below summarizes, by level within the fair value hierarchy, the Organizations' investments as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Asset Class:				
Mutual funds - Exchange traded	$ 3,426,095	$ -	$ -	$ 3,426,095
Mutual funds - Fixed income	-	3,489,621	-	3,489,621
Mutual funds - Equities	7,098,519	-	-	7,098,519
TOTAL	**$ 10,524,614**	**$ 3,489,621**	**$ -**	**$ 14,014,235**
DEFERRED COMPENSATION ASSET	**$ 336,184**	**$ -**	**$ -**	**$ 336,184**
Common trust funds	$ -	$ 36,370	$ -	$ 36,370
Equities	1,117,922	-	-	1,117,922
Money market fund	268,234	-	-	268,234
Fixed income	149,266	-	-	149,266
ASSETS HELD IN PERPETUAL TRUST	**$ 1,535,422**	**$ 36,370**	**$ -**	**$ 1,571,792**

2. INVESTMENTS (Continued)

Included in the investment portfolio, and in the perpetual trusts described in note 3, are endowed gifts to be invested in perpetuity in the amount of $2,563,889 for the year ended December 31, 2021. The investment income is the following for the year ended December 31, 2021:

Interest and dividends	$ 187,664
Unrealized and realized gains	1,576,956
Investment expenses provided by external investment advisors	(27,250)
TOTAL INVESTMENT INCOME, NET	**$ 1,737,370**

3. BENEFICIAL INTEREST IN PERPETUAL TRUST

The Arc is the beneficiary of certain perpetual trusts held and administered by a third party. The present value of the estimated future cash flows (as measured by the fair value of the underlying investments) is recognized as assets and contribution revenues at the dates the trusts are established. Distributions from the trust are recorded as investment income without donor restrictions. The increase or decrease in the asset measured by the fair value of the asset contributed to the trust is recorded as a restricted gain in perpetuity in the Consolidated Statement of Activities and Change in Net Assets.

For the year ended December 31, 2021, The Arc recorded a net gain in perpetual trust of $122,879, due to the increase in fair value. The Arc received distributions from the beneficial interest in perpetual trusts for the amount of $56,126 during the year ended December 31, 2021. The value of The Arc's interest in the perpetual trusts at December 31, 2021 was $1,571,792.

4. PPP LOAN FUNDING

On May 8, 2020, The Arc of D.C. entered into a five year promissory note agreement in the amount of $88,500 with a 1% fixed interest rate under the first round of funding from the Paycheck Protection Program. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. During 2020, The Arc of D.C. had recognized the PPP funding as a refundable advance. The Arc of D.C. expended and tracked the PPP funds for purposes outlined in the CARES Act guidance during 2021. On April 14, 2021 the Arc received full forgiveness from the SBA, and there is no further obligation. The full amount of the grant was recognized as grant income in the accompanying Consolidated Statement of Activities and Change in Net Assets.

On February 11, 2021, The Arc of D.C. entered into a five year promissory note agreement in the amount of $88,550 with a 1% fixed interest rate under the second round of funding from the Paycheck Protection Program. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven.

Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. The Arc of D.C. has recognized the PPP funding as a conditional grant. The Arc of D.C. expended and tracked the PPP funds for purposes outlined in the CARES Act guidance. On October 22, 2021 the Arc received full forgiveness from the SBA, and there is no further obligation. The full amount of the grant was recognized as grant income in the accompanying Consolidated Statement of Activities and Change in Net Assets.

4. PPP LOAN FUNDING (Continued)

On February 22, 2021, The Arc entered into a five year promissory note agreement in the amount of $1,115,357 with a 1% fixed interest rate under the second round of funding from the Paycheck Protection Program. The promissory note called for monthly principal and interest payments amortized over the term of the promissory note, unless otherwise forgiven. Under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the promissory note may be forgiven by the Small Business Administration in whole or in part. The Arc has recognized the PPP funding as a conditional grant. The Arc expended and tracked the PPP funds for purposes outlined in the CARES Act guidance. On July 14, 2021, the Arc received full forgiveness from the SBA, and there is no further obligation. The full amount of the grant was recognized as grant income in the accompanying Consolidated Statement of Activities and Change in Net Assets.

5. BOARD DESIGNATED

The Board of Directors has set aside certain net assets without donor restrictions for special purposes. Such funds are used to offset any operational loss incurred by The Arc or to fund any other special project of The Arc. As of December 31, 2021, Board designated assets totaled $609,682.

6. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2021, net assets with donor restrictions consisted of the following:

Subject to expenditure for specified purpose:	
Down Syndrome New Mexico Fund	$ 5,549,432
Chapter Financial Assistance and Support Programs	1,162,401
Public Supported Research	752,442
ECW Program	750,000
Down Syndrome Research Fund	208,545
TheArc@School	159,023
TENDR	129,512
Inclusive Volunteering	106,214
Tech Programs	97,652
Care HSBS	87,795
Prevention Fund	53,552
NCCJD Program	45,322
AZ COVID Program	24,591
The Arc DC Advocacy Fund	18,285
Wings Program	17,098
RI COC Program	11,577
Give a Parent a Break	3,787
Disaster Relief	1,297
WI SO COVID Program	837
Give a Kid a Job	25
Accumulated investment earnings from endowments not yet authorized for spending	18,789
Total subject to expenditure for specified purpose	9,198,176
Endowments to be invested in perpetuity	2,563,889
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 11,762,065**

6. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets with donor restrictions were released from donor restrictions by incurring expenses (or through the passage of time) which satisfied the restricted purposes specified by the donors:

Purpose restrictions accomplished:	
Chapter Financial Assistance and Support Programs	$ 431,879
Wyss	353,751
COVID Advocacy	350,000
Public Supported Research	230,752
GA SO Program	218,298
Individual and Family Support Programs	202,238
Tech Programs	202,097
TheArc@School	179,050
TENDR	169,131
NCCJD	152,348
Inclusive Volunteering	93,786
Appropriation of accumulated investment earnings from Endowments	72,890
The Arc DC Advocacy Fund	62,238
WI SO Program	48,094
RI COC Program	45,923
Legal Advocacy Program	45,363
Down Syndrome New Mexico Fund	41,931
CARE HCBS	37,205
RI SPED Program	25,000
AZ COVID Program	20,409
AEL Program	15,000
Health and Wellness Programs	9,640
Wings Program	9,550
Research Program	9,500
RI SO Program	7,701
AZ SO Program	7,327
WI COVID Program	4,163
NCE Program	3,825
Paul Marchand Fellowship Fund for Public Policy	1,960
Timing restrictions accomplished	198,120
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 3,249,169**

7. LIQUIDITY

Financial assets available for use within one year of the Consolidated Statement of Financial Position comprise the following at December 31, 2021:

Cash and cash equivalents	$ 2,609,458
Investments	13,022,138
Accounts receivable	1,022,640
Grants receivable	120,851
Less: Donor restrictions for specific purposes	(11,762,065)
Less: Board designated net assets	(609,682)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 4,403,340**

7. LIQUIDITY (Continued)

The Organizations have a policy to structure its financial assets to be available and liquid as its obligations become due.

8. RELATED PARTY TRANSACTIONS

The Arc and the Foundation have separate governing Boards of Directors, but share five voting directors which control the Foundation's Board. At December 31, 2021, the Foundation has a payable due to The Arc amounting to $4,239, for contributions paid to the Foundation on behalf of the ARC.

The Arc and The Arc of D.C. entered into a management service agreement. During the year ended December 31, 2021, The Arc charged The Arc of D.C. management fees in the amount of $115,157. As of December 31, 2021, The Arc of D.C. owed The Arc $163,057.

The Arc and The Arc of Georgia entered into a management service agreement. The Arc charged The Arc of Georgia $14,772 during the year for their management fees. As of December 31, 2021, The Arc of Georgia owed The Arc $11,004.

Inter-company transactions noted above are eliminated in the consolidated report presented.

At December 31, 2021, The Arc had a net balance of $487 due from The Arc of Arizona, which is not a subsidiary corporation of The Arc and therefore, this transaction is not eliminated in the consolidated report presented.

9. COMMITMENTS - OPERATING LEASES

As part of the lease agreement, The Arc received three free months of rent at the commencement of the contract. Additionally, The Arc was only required to pay 50% of the rental installments for the 12 months following and received free rent for the month and a half after the year period.

In December 2013, The Arc amended the lease to include an additional 1,644 square feet of office space. The lease for the additional space commenced on May 15, 2014 and will maintain a termination date of May 31, 2023.

In December 2018, The Arc of D.C. signed a lease agreement for a term of thirty eight months resulting in a lease expiration date of February 28, 2022. Base rent was $87,996 per year, plus a proportionate share of expenses, increased by a factor of 5% per year.

Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Consequently, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes will be recorded as a deferred rent liability.

For the year ended December 31, 2021, occupancy expense was $687,653. Additionally, the deferred rent at year-end was $277,348.

At December 31, 2021, minimum annual rental commitments under the lease are as follows:

Year Ending December 31,	
2022	$ 684,489
2023	284,111
	$ 968,600

10. RETIREMENT PLAN

The Organizations have a non-contributory pension plan (the Plan), covering substantially all of its regular employees. Total pension expense was $418,483 for the year ended December 31, 2021. The Plan, which provides for deferred annuity contracts, is a money-purchase defined contribution plan. The Organizations' cost is limited to the contributions fixed under the Plan.

The Organizations also have a 457(b) deferred compensation plan, effective August 9, 2009, limited to the top hat group of employees. Elective deferrals may be made to the Plan up to the maximum allowed by law. As of December 31, 2021, $336,184 was deferred under the Plan.

11. CONTRIBUTED SERVICES

During the year ended December 31, 2021, the Organizations were the beneficiary of donated services in the amount of $7,740,096. The value of these services was estimated at fair market value, and has been included as revenue and expenses in the accompanying consolidated financial statements for the year ended December 31, 2021, as follows:

Donated Legal Services	**$ 7,740,096**

The following programs have benefited from these donated services:

Public Policy	$ 7,659,806
Management and General	80,290
TOTAL	**$ 7,740,096**

12. CONTINGENCY ACCRUED LIABILITY

During the year ended December 31, 2021, The Arc of D.C. has a balance in contingency accrued liability of $160,000. Contingency accrued liability represents outstanding Medicaid overpayments. The Arc of D.C. is currently engaged in a settlement to repay this amount.

13. CONTINGENCY

The Organizations receive grants from various agencies of the United States Government. Such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The ultimate determination of amounts received under the United States Government grants is based upon the allowance of costs reported to and accepted by the United States Government as a result of the audits. During the year ended December 31, 2021, the Organizations did not incur costs of Federal funding in excess of $750,000 that would require a single audit under the Uniform Guidance. Until such audits have been accepted by the United States Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

During the year ended December 31, 2021, the Organizations did not incur costs of Federal funding in excess of $750,000 that would require a single audit under the Uniform Guidance.

14. ENDOWMENT

The Organizations' endowment consists of donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those assets are time restricted until the governing Board appropriates such amounts for expenditures. Most of those net asset also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.

The governing Board has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organizations consider a fund to be underwater if the fair value of the fund is less than the sum the (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organizations have interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with UPMIFA, the Organizations consider the following factors in making a determination to appropriated or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purpose of the organization and the donor-restricted endowment fund;
- General economic conditions and the possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments; and
- Investment policies of the organization.

Description of amounts classified as net assets with donor restrictions (Endowment only):

Net Assets with Donor Restrictions:	
Original donor-restricted endowment gift amounts and amounts required to be retained by donor	$ 2,563,889
Accumulated investment earnings with purpose restrictions	18,789
TOTAL ENDOWMENT FUNDS CLASSIFIED AS NET ASSETS WITH DONOR RESTRICTIONS	**$ 2,582,678**

Changes in endowment net assets for the year ended December 31, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 2,459,760	$ 2,459,760
Investment income, net	-	72,929	72,929
Gain in beneficial interest in perpetual trusts	-	122,879	122,879
Appropriation of endowment assets for expenditure	-	(72,890)	(72,890)
ENDOWMENT NET ASSETS, END OF YEAR	**$ -**	**$ 2,582,678**	**$ 2,582,678**

14. ENDOWMENT (Continued)

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organizations to retain as a fund of perpetual duration. There were no deficiencies of this nature for the year ended December 31, 2021.

Return Objectives and Risk Parameters -

The Organizations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organizations must hold in-perpetuity or for a donor-specified period.

Strategies Employed for Achieving Objectives -

To satisfy their long-term rate-of-return objectives, the Organizations rely on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organizations target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve their long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

The Organizations have a policy of appropriating for distribution the amount deemed allowable by the donor after determining the actual amount earned.

15. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through April 11, 2022, the date the consolidated financial statements were issued.

SUPPLEMENTAL INFORMATION

The Arc of the United States and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

ASSETS

	The Arc	The Foundation	The Arc of D.C.	The Arc of GA	Eliminations	Total
CURRENT ASSETS						
Cash and cash equivalents	$ 2,445,617	$ 80,702	$ 83,139	$ -	$ -	$ 2,609,458
Investments	12,368,162	653,976	-	-	-	13,022,138
Accounts receivable, net of allowance for doubtful accounts of $103,500	813,120	1,000	204,512	3,521	-	1,022,153
Grants receivable	120,851	-	-	-		120,851
Due from related parties	178,787	-	-	-	(178,300)	487
Prepaid expenses	122,189	-	13,240	-	-	135,429
Total current assets	16,048,726	735,678	300,891	3,521	(178,300)	16,910,516
FIXED ASSETS						
Furniture and equipment	1,488,001	-	3,720	-	-	1,491,721
Vehicles	-	-	21,859	-	-	21,859
Website	886,221	-	-	-	-	886,221
	2,374,222	-	25,579	-	-	2,399,801
Less: Accumulated depreciation and amortization	(2,186,741)	-	(25,579)	-	-	(2,212,320)
Net fixed assets	187,481	-	-	-	-	187,481
OTHER ASSETS						
Security deposit	41,054	-	9,203	-	-	50,257
Investments held for beneficial interest in perpetual trust	1,571,792	-	-	-	-	1,571,792
Investments, net of current	720,737	271,360	-	-	-	992,097
Deferred compensation investments	336,184	-	-	-	-	336,184
Total other assets	2,669,767	271,360	9,203	-	-	2,950,330
TOTAL ASSETS	**$ 18,905,974**	**$ 1,007,038**	**$ 310,094**	**$ 3,521**	**$ (178,300)**	**$ 20,048,327**

The Arc of the United States and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021

LIABILITIES AND NET ASSETS

	The Arc	The Foundation	The Arc of D.C.	The Arc of GA	Eliminations	Total
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	$ 988,893	$ 64,885	$ 64,263	$ 14,772	$ -	$ 1,132,813
Due to related party	-	4,239	163,057	11,004	(178,300)	-
Deferred revenue	38,500	-	114	-	-	38,614
Deferred rent, current	190,684	-	1,569	-	-	192,253
Accrued contingency liability	-	-	160,000	-	-	160,000
Total current liabilities	1,218,077	69,124	389,003	25,776	(178,300)	1,523,680
LONG-TERM LIABILITIES						
Deferred rent, net of current portion	85,095	-	-	-	-	85,095
Deferred compensation	336,184	-	-	-	-	336,184
Total long-term liabilities	421,279	-	-	-	-	421,279
Total liabilities	1,639,356	69,124	389,003	25,776	(178,300)	1,944,959
NET ASSETS						
Without donor restrictions:						
Undesignated	5,184,518	666,552	(97,194)	(22,255)	-	5,731,621
Board designated	609,682	-	-	-	-	609,682
Without donor restriction net assets	5,794,200	666,552	(97,194)	(22,255)	-	6,341,303
With donor restrictions	11,472,418	271,362	18,285	-	-	11,762,065
Total net assets	17,266,618	937,914	(78,909)	(22,255)	-	18,103,368
TOTAL LIABILITIES AND NET ASSETS	**$ 18,905,974**	**$ 1,007,038**	**$ 310,094**	**$ 3,521**	**$ (178,300)**	**$ 20,048,327**

The Arc of the United States and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	The Arc			The Foundation			The Arc of D.C.		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT									
Contributions	$ 1,203,131	$ 98,232	$ 1,301,363	$ 86,600	$ -	$ 86,600	$ 52,232	$ -	$ 52,232
Affiliation and chapter fees	2,818,439	-	2,818,439	-	-	-	100	-	100
Contributed services	7,740,096	-	7,740,096	-	-	-	-	-	-
Bequest income	1,738,956	77,000	1,815,956	-	-	-	-	-	-
Registration fees	653,107	-	653,107	-	-	-	-	-	-
Grants	1,898,385	2,084,409	3,982,794	-	-	-	177,050	-	177,050
Program service fees	539,010	-	539,010	-	-	-	569	-	569
Contracts	-	-	-	-	-	-	700,626	-	700,626
Investment income, net	900,260	681,169	1,581,429	106,003	49,938	155,941	-	-	-
Royalty income	120,713	-	120,713	-	-	-	-	-	-
Other income	11,238	-	11,238	-	-	-	69,447	-	69,447
Net gain in perpetual trust	-	122,879	122,879	-	-	-	-	-	-
Net assets released from donor restrictions	3,136,993	(3,136,993)	-	49,938	(49,938)	-	62,238	(62,238)	-
Total revenue and support	20,760,328	(73,304)	20,687,024	242,541	-	242,541	1,062,262	(62,238)	1,000,024
EXPENSES									
Program Services:									
Chapter Leadership and Development	2,740,886	-	2,740,886	-	-	-	-	-	-
Public Education	624,042	-	624,042	-	-	-	-	-	-
Public Policy	10,473,877	-	10,473,877	-	-	-	-	-	-
Program Innovation	2,274,076	-	2,274,076	-	-	-	660,325	-	660,325
Total program services	16,112,881	-	16,112,881	-	-	-	660,325	-	660,325
Supporting Services:									
Management and General	538,152	-	538,152	108,673	-	108,673	180,203	-	180,203
Fundraising	1,488,184	-	1,488,184	4,457	-	4,457	-	-	-
Total supporting services	2,026,336	-	2,026,336	113,130	-	113,130	180,203	-	180,203
Total expenses	18,139,217	-	18,139,217	113,130	-	113,130	840,528	-	840,528
Change in net assets	2,621,111	(73,304)	2,547,807	129,411	-	129,411	221,734	(62,238)	159,496
Net assets at beginning of year	3,173,089	11,545,722	14,718,811	537,141	271,362	808,503	(318,928)	80,523	(238,405)
NET ASSETS AT END OF YEAR	**$ 5,794,200**	**$ 11,472,418**	**$ 17,266,618**	**$ 666,552**	**$ 271,362**	**$ 937,914**	**$ (97,194)**	**$ 18,285**	**$ (78,909)**

The Arc of the United States and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	The Arc of GA			Total			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
REVENUE AND SUPPORT							
Contributions	$ -	$ -	$ -	$ 1,341,963	$ 98,232	$ (42,776)	$ 1,397,419
Affiliation and chapter fees	-	-	-	2,818,539	-	-	2,818,539
Contributed services	-	-	-	7,740,096	-	-	7,740,096
Bequest income	-	-	-	1,738,956	77,000	-	1,815,956
Registration fees	-	-	-	653,107	-	-	653,107
Grants	-	-	-	2,075,435	2,084,409	-	4,159,844
Program service fees	13,528	-	13,528	553,107	-	(201,758)	351,349
Contracts	-	-	-	700,626	-	-	700,626
Investment income, net	-	-	-	1,006,263	731,107	-	1,737,370
Royalty income	-	-	-	120,713	-	-	120,713
Other income	-	-	-	80,685	-	-	80,685
Net gain in perpetual trust	-	-	-	-	122,879	-	122,879
Net assets released from donor restrictions	-	-	-	3,249,169	(3,249,169)	-	-
Total revenue and support	13,528	-	13,528	22,078,659	(135,542)	(244,534)	21,698,583
EXPENSES							
Program Services:							
Chapter Leadership and Development	-	-	-	2,740,886	-	-	2,740,886
Public Education	-	-	-	624,042	-	-	624,042
Public Policy	-	-	-	10,473,877	-	-	10,473,877
Program Innovation	14,772	-	14,772	2,949,173	-	(14,772)	2,934,401
Total program services	14,772	-	14,772	16,787,978	-	(14,772)	16,773,206
Supporting Services:							
Management and General	8,125	-	8,125	835,153	-	(229,762)	605,391
Fundraising	-	-	-	1,492,641	-	-	1,492,641
Total supporting services	8,125	-	8,125	2,327,794	-	(229,762)	2,098,032
Total expenses	22,897	-	22,897	19,115,772	-	-	18,871,238
Change in net assets	(9,369)	-	(9,369)	2,962,887	(135,542)	(244,534)	2,827,345
Net assets at beginning of year	(12,886)	-	(12,886)	3,378,416	11,897,607	-	15,276,023
NET ASSETS AT END OF YEAR	**$ (22,255)**	**$ -**	**$ (22,255)**	**$ 6,341,303**	**$ 11,762,065**	**$ (244,534)**	**$ 18,103,368**