CONSOLIDATED FINANCIAL STATEMENTS

The Arc of the United States and Affiliates

FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL
INFORMATION FOR 2021

The Arc of the United States and Affiliates

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CPAs & ADVISORS

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, 2022, 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, 2022, 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.

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' 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated April 11, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the 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 Rosenberg & Freedman

June 12, 2023

The Arc of the United States and Affiliates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

ASSETS

	2022	2021
CURRENT ASSETS		
Cash and cash equivalents	$ 3,361,860	$ 2,609,458
Investments	8,142,375	13,022,138
Accounts receivable, net of allowance for doubtful accounts of $111,000 and $103,500, for 2022 and 2021, respectively	1,485,888	1,022,640
Grants receivable	246,538	120,851
Prepaid expenses	194,748	135,429
Total current assets	13,431,409	16,910,516
FIXED ASSETS		
Furniture and equipment	1,494,265	1,491,721
Vehicles	21,859	21,859
Website	886,221	886,221
	2,402,345	2,399,801
Less: Accumulated depreciation and amortization	(2,365,823)	(2,212,320)
Net fixed assets	36,522	187,481
OTHER ASSETS		
Security deposit	87,897	50,257
Investments held for beneficial interest in perpetual trust	1,252,012	1,571,792
Investments, net of current portion	992,097	992,097
Deferred compensation investments	317,932	336,184
Right-of-use asset, net	757,902	-
Total other assets	3,407,840	2,950,330
TOTAL ASSETS	$ 16,875,771	$ 20,048,327

See accompanying notes to consolidated financial statements.

The Arc of the United States and Affiliates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Lease liability	$ 436,628	$ -
Accounts payable and accrued liabilities	1,660,348	1,132,813
Due to related party	7,850	-
Deferred revenue	10,000	38,614
Deferred rent	-	192,253
Accrued contingency liability	160,000	160,000
Total current liabilities	2,274,826	1,523,680
LONG-TERM LIABILITIES		
Lease liability, net of current portion	407,257	-
Deferred rent, net of current portion	-	85,095
Deferred compensation	317,932	336,184
Total long-term liabilities	725,189	421,279
Total liabilities	3,000,015	1,944,959
NET ASSETS		
Without donor restrictions:		
Undesignated	4,123,282	5,731,621
Board designated	-	609,682
Without donor restriction net assets	4,123,282	6,341,303
With donor restrictions	9,752,474	11,762,065
Total net assets	13,875,756	18,103,368
TOTAL LIABILITIES AND NET ASSETS	**$ 16,875,771**	**$ 20,048,327**

The Arc of the United States and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2022 WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUE AND SUPPORT				
Contributed services	$ 14,312,863	$ -	$ 14,312,863	$ 7,740,096
Grants	1,095,045	2,767,858	3,862,903	4,159,844
Affiliation and chapter fees	2,868,556	-	2,868,556	2,818,539
Contributions	2,026,936	76,095	2,103,031	1,397,419
Registration fees	1,208,296	-	1,208,296	653,107
Contracts	725,899	-	725,899	700,626
Program service fees	233,470	-	233,470	351,349
Royalty income	144,318	-	144,318	120,713
Bequest income	138,711	-	138,711	1,815,956
Other income	23,443	-	23,443	80,685
Investment (loss) income, net	(1,092,305)	(1,162,084)	(2,254,389)	1,737,370
Net (loss) gain in perpetual trust	-	(319,780)	(319,780)	122,879
Net assets released from donor restrictions	3,371,680	(3,371,680)	-	-
Total revenue and support	25,056,912	(2,009,591)	23,047,321	21,698,583
EXPENSES				
Program Services:				
Chapter Leadership and Development	3,238,301	-	3,238,301	2,740,886
Public Education	7,626,444	-	7,626,444	624,042
Public Policy	12,080,670	-	12,080,670	10,473,877
Program Innovation	2,136,901	-	2,136,901	2,934,401
Total program services	25,082,316	-	25,082,316	16,773,206
Supporting Services:				
Management and General	582,388	-	582,388	605,391
Fundraising	1,610,229	-	1,610,229	1,492,641
Total supporting services	2,192,617	-	2,192,617	2,098,032
Total expenses	27,274,933	-	27,274,933	18,871,238
Change in net assets	(2,218,021)	(2,009,591)	(4,227,612)	2,827,345
Net assets at beginning of year	6,341,303	11,762,065	18,103,368	15,276,023
NET ASSETS AT END OF YEAR	**$ 4,123,282**	**$ 9,752,474**	**$ 13,875,756**	**$ 18,103,368**

See accompanying notes to consolidated financial statements.

The Arc of the United States and Affiliates

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022									2021
	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
In-kind professional fees	$ 10,450	$ 5,699,154	$ 8,368,055	$ 14,792	$ 14,092,451	$ 220,412	$ -	$ 220,412	$ 14,312,863	$ 7,740,096
Salaries	1,235,201	1,034,188	1,769,503	789,531	4,828,423	106,686	706,774	813,460	5,641,883	5,608,907
Professional fees	340,792	97,085	512,239	309,097	1,259,213	43,150	263,626	306,776	1,565,989	939,058
Conferences, meetings and travel	775,117	15,365	383,066	46,713	1,220,261	19,843	22,067	41,910	1,262,171	200,499
Employee benefits	237,580	199,121	340,523	151,889	929,113	22,620	136,019	158,639	1,087,752	1,027,110
Occupancy and storage	150,874	79,534	186,524	214,204	631,136	23,270	60,573	83,843	714,979	687,653
Repairs and maintenance	152,180	71,091	138,376	79,382	441,029	17,385	49,728	67,113	508,142	505,902
Payroll taxes	92,374	78,027	132,920	59,143	362,464	15,071	53,112	68,183	430,647	428,276
Grants and sub-grants	26,540	-	7,281	333,500	367,321	3,294	10,252	13,546	380,867	630,459
Advertising expenses	9,142	187,737	48,346	47,994	293,219	-	-	-	293,219	177,966
Outside printing and design	49,724	59,027	32,022	5,207	145,980	1,137	105,637	106,774	252,754	169,191
Subscriptions and dues	58,464	28,296	81,505	15,638	183,903	2,232	40,516	42,748	226,651	180,879
Postage and shipping	11,637	39,940	8,773	13,539	73,889	258	110,586	110,844	184,733	117,622
Depreciation and amortization	35,945	27,691	36,783	26,844	127,263	10,032	16,208	26,240	153,503	200,770
Miscellaneous	19,877	2,083	15,705	2,448	40,113	8,512	28,743	37,255	77,368	58,982
Bad debt	-	-	-	-	-	50,717	-	50,717	50,717	74,654
Telephone and internet	12,973	5,793	13,511	11,566	43,843	1,529	4,405	5,934	49,777	48,175
Insurance	2,400	801	1,884	984	6,069	35,756	734	36,490	42,559	42,304
Supplies	17,031	1,511	3,654	14,430	36,626	484	1,249	1,733	38,359	32,735
TOTAL	**$ 3,238,301**	**$ 7,626,444**	**$ 12,080,670**	**$ 2,136,901**	**$ 25,082,316**	**$ 582,388**	**$ 1,610,229**	**$ 2,192,617**	**$ 27,274,933**	**$ 18,871,238**

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, 2022
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (4,227,612)	$ 2,827,345
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	153,503	200,770
Unrealized and realized loss (gain) on investments	2,392,376	(1,576,956)
Net loss (gain) in perpetual trust	319,780	(122,879)
Change in allowance for doubtful accounts	(7,500)	(48,500)
Change in the measurement of operating lease	85,983	-
(Increase) decrease in:		
Accounts receivable	(455,748)	616,425
Grants receivable	(125,687)	(13,265)
Prepaid expenses	(59,319)	(16,814)
Security deposit	(37,640)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	527,535	53,970
Due to related party	7,850	(6,042)
Deferred revenue	(28,614)	(26,638)
Refundable advance	-	(88,500)
Deferred rent	(277,348)	(181,561)
Net cash (used) provided by operating activities	(1,732,441)	1,617,355
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,544)	(6,989)
Purchase of investments	(167,856)	(1,665,161)
Proceeds from sale of investments	2,655,243	1,028,536
Net cash provided (used) by investing activities	2,484,843	(643,614)
Net increase in cash and cash equivalents	752,402	973,741
Cash and cash equivalents at beginning of year	2,609,458	1,635,717
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 3,361,860**	**$ 2,609,458**
SCHEDULE OF NONCASH FINANCING TRANSACTIONS:		
Right-of-Use Asset	**$ 1,407,928**	**$ -**
Operating Lease Liability for Right-of-Use Asset	**$ 1,683,706**	**$ -**

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, 2021, from which the summarized information was derived.

New accounting pronouncements adopted -

During 2022, the Organizations adopted ASU 2019-01, *Leases* (Topic 842), which changed 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. The Organizations applied the new standard using the modified retrospective approach and adopted the practical expedient package to not reassess at adoption (i) expired or existing contracts for whether they are or contain a lease, (ii) the lease classification of any existing leases or (iii) initial indirect costs for existing leases. See Note 7 for further details.

During 2022, the Organizations adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which improves generally accepted accounting principles in the United States (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 was adopted retrospectively and did not change the recognition and measurement requirements for those contributed nonfinancial assets.

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

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 (loss) 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 -

Accounts and grants 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.

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, 2022, 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 Organizations receive contributions, including unconditional promises to give, from many sources as well as grants from the U.S. Government, organizations and other entities. Contributions, bequests, grants and contracts are recognized in the appropriate category of net assets in the period received. The Organizations performs an analysis of the individual contribution, bequest, grant or 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 transaction is 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.*

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

Contributions, bequests, grants and contracts (continued) -

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 $768,319 in unrecognized conditional awards as of December 31, 2022.

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 and advertising. Contributed services are recorded at their fair market value as of the date of the gift. Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organizations.

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.

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

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.

New accounting pronouncement not yet adopted -

ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326), replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The ASU is effective for the Organizations for the year ending December 31, 2023 but early adoption is still permitted. The ASU can be applied at the beginning of the earliest period presented using a modified retrospective approach.

The Organizations plan to adopt the new ASU at the required implementation date and management is currently in the process of evaluating the adoption method and the impact of the new standard on its accompanying consolidated financial statements.

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 changes in methodologies and no transfers between levels in the fair value hierarchy during the year ended December 31, 2022. 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, 2022:

	Level 1	Level 2	Level 3	Total
Asset Class:				
Mutual funds - Exchange traded	$ 762,153	$ -	$ -	$ 762,153
Mutual funds - Fixed income	-	2,633,354	-	2,633,354
Mutual funds - Equities	5,738,965	-	-	5,738,965
TOTAL	**$ 6,501,118**	**$ 2,633,354**	**$ -**	**$ 9,134,472**
DEFERRED COMPENSATION ASSET	**$ 317,932**	**$ -**	**$ -**	**$ 317,932**
Common trust funds	$ -	$ 24,854	$ -	$ 24,854
Equities	870,000	-	-	870,000
Money market funds	266,469	-	-	266,469
Fixed income	90,689	-	-	90,689
ASSETS HELD IN PERPETUAL TRUST	**$ 1,227,158**	**$ 24,854**	**$ -**	**$ 1,252,012**

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 $2,244,109 for the year ended December 31, 2022. The investment loss is the following for the year ended December 31, 2022:

Interest and dividends	$ 167,863
Unrealized and realized losses	(2,392,376)
Investment expenses provided by external investment advisors	(29,876)
TOTAL INVESTMENT LOSS, NET	**$ (2,254,389)**

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 or loss in perpetuity in the Consolidated Statement of Activities and Change in Net Assets.

For the year ended December 31, 2022, The Arc recorded a net loss in perpetual trust of $319,780, due to the decrease in fair value. The Arc received distributions from the beneficial interest in perpetual trusts for the amount of $25,615 during the year ended December 31, 2022. The value of The Arc's interest in the perpetual trusts at December 31, 2022 was $1,252,012.

4. NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2022, net assets with donor restrictions consisted of the following:

Subject to expenditure for specified purpose:	
Down Syndrome New Mexico Fund	$ 4,512,860
Public Supported Research	625,053
ECW Program	600,000
Tech Programs	542,770
TheArc@School	431,161
RI BIF Program	186,377
Down Syndrome Research Fund	169,591
TENDR	150,134
RWJF Program	133,433
Inclusive Volunteering	129,753
Prevention Fund	53,552
Wings Program	26,310
RI COC Program	7,803
Give a Parent a Break	3,787
Disaster Relief	3,523
Give a Kid a Job	25
Accumulated investment losses from endowments not yet authorized for spending	(67,767)
Total subject to expenditure for specified purpose	7,508,365
Endowments to be invested in perpetuity	2,244,109
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	**$ 9,752,474**

4. 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	$ 1,162,401
RWJF Program	616,566
CARE HCBS	247,795
Tech Programs	200,244
TENDR	199,378
TheArc@School	189,862
ECW Program	150,000
Public Supported Research	127,390
Inclusive Volunteering	91,461
NCCJD	79,141
NHLP - FPA	40,000
RI COC Program	29,969
TheArc@Work	25,925
AZ COVID Program	24,591
Legal Advocacy Program	23,092
GA SO Program	22,899
RI BIF Program	21,262
RI SO Program	19,616
The Arc DC Advocacy Fund	18,285
Wings Program	15,858
AEI Program	15,000
WI SO Program	14,638
Disaster Relief	10,000
NCE Program	8,467
AZ SO Program	4,998
Individual and Family Support Programs	2,202
Paul Marchand Fellowship Fund for Public Policy	1,500
WI COVID Program	837
Timing restrictions accomplished	8,303
TOTAL NET ASSETS RELEASED FROM RESTRICTIONS	**$ 3,371,680**

5. LIQUIDITY

Financial assets available for use within one year of the Consolidated Statement of Financial Position comprise the following at December 31, 2022:

Cash and cash equivalents	$ 3,361,860
Investments	8,142,375
Accounts receivable	1,485,888
Grants receivable	246,538
Less: Donor restrictions for specific purposes	(9,752,474)
FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR	**$ 3,484,187**

5. LIQUIDITY (Continued)

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

6. 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, 2022, the Foundation has a receivable from The Arc amounting to $181,061, for expenses paid by 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, 2022, The Arc charged The Arc of D.C. management fees in the amount of $56,588. As of December 31, 2022, The Arc of D.C. owed The Arc $303,084.

The Arc and The Arc of Georgia entered into a management service agreement. The Arc charged The Arc of Georgia $9,425 during the year for their management fees. As of December 31, 2022, The Arc of Georgia owed The Arc $21,744.

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

At December 31, 2022, The Arc had a net balance of $7,850 due to 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.

7. 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 July 2022, The Arc entered into a 124-month lease agreement for office space in Washington, D.C. commencing June 1, 2023. Base rent is $439,677 per year, plus a proportionate share of expenses, increasing by a factor of 2.5%. Additionally, The ARC received an allowance equal to the sum of the product of the number of square feet of rentable area in the premises multiplied by $140.00 plus $73,279 for various leasehold improvements. The Arc also received an abatement of base rent and its share of expenses for the first eighteen months after the commencement date.

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.

In March 2022, The Arc of D.C. signed a lease agreement for a term of sixty three months resulting in a lease expiration date of May 31, 2027. Base rent is $97,020 per year, plus a proportionate share of expenses, increasing by a factor of 3% per year. Additionally, The Arc of D.C. received an allowance of up to $55,000 for various leasehold improvements.

7. COMMITMENTS - OPERATING LEASES (Continued)

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. The Organizations elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and are applying this expedient to all relevant asset classes. The Organizations adopted the package of practical expedients to not perform any lease reclassification, did not reevaluate embedded leases and did not reassess initial direct costs. As a result, the Organizations recorded a right-of-use asset in the amount of $1,407,928. The Organizations recorded an operating lease liability in the amount of $1,683,706 by calculating the present value using the discount rates of 1.56% and 0.78% for the The Arc of D.C. lease and The Arc lease, respectively.

The following is a schedule of the future minimum lease payments:

Year Ending December 31,	
2023	$ 444,191
2024	118,165
2025	121,710
2026	125,361
2027	52,876
	862,303
Less: Discount to present value	(18,418)
	843,885
Less: Current portion	(436,628)
LONG-TERM PORTION	**$ 407,257**

Lease expense for the year ended December 31, 2022 was $677,621 and is included in occupancy and storage in the accompanying Consolidated Statement of Functional Expenses.

8. RETIREMENT PLANS

The Organizations have a non-contributory pension plan (the Plan), covering substantially all of its regular employees. Total pension expense was $444,624 for the year ended December 31, 2022. 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, 2022, $317,932 was deferred under the Plan.

9. CONTRIBUTED SERVICES

During the year ended December 31, 2022, the Organizations were the beneficiary of donated services in the amount of $14,312,863. There were no donor-imposed restrictions associated with the contributed services during the year ended December 31, 2022.

9. CONTRIBUTED SERVICES (Continued)

The value of these services was estimated at fair market value. Donated legal services are valued based on the attorney's standard hourly rate multiplied by the number of hours donated to the Organizations. The contributed services have been included as revenue and expenses in the accompanying consolidated financial statements for the year ended December 31, 2022, as follows:

Legal services	$ 8,588,467
Advertising	5,699,154
Fundraising software and echo devices	20,182
Travel	5,060
TOTAL	**$ 14,312,863**

The following programs and supporting services have benefited from these donated goods and services:

Chapter Leadership and Development	$ 10,450
Public Education	5,699,154
Public Policy	8,368,055
Program Innovation	14,792
Management and General	220,412
TOTAL	**$ 14,312,863**

10. 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.

11. 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, 2022, 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.

12. 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.

12. ENDOWMENT (Continued)

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 Organizations 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 Organizations.

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	$ 2,244,109
Accumulated investment losses with purpose restrictions	(67,767)
TOTAL ENDOWMENT FUNDS CLASSIFIED AS NET ASSETS WITH DONOR RESTRICTIONS	**$ 2,176,342**

Changes in endowment net assets for the year ended December 31, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 2,582,678	$ 2,582,678
Investment loss, net	-	(86,556)	(86,556)
Loss in beneficial interest in perpetual trusts	-	(319,780)	(319,780)
ENDOWMENT NET ASSETS, END OF YEAR	**$ -**	**$ 2,176,342**	**$ 2,176,342**

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. Deficiencies of this nature exist in five donor-restricted endowment funds, which together have an original gift value of $424,514, and a deficiency of $77,278 as of December 31, 2022.

12. ENDOWMENT (Continued)

Funds with Deficiencies (continued) -

These deficiencies resulted from unfavorable market fluctuations that occurred after the investment of new contributions for donor-restricted endowment funds and continued appropriations for certain programs that was deemed prudent by the Board of Directors. The total original gift value as of December 31, 2022 is $2,244,109.

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.

13. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through June 12, 2023, 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, 2022

ASSETS

	The Arc	The Foundation	The Arc of D.C.	The Arc of GA	Eliminations	Total
CURRENT ASSETS						
Cash and cash equivalents	$ 3,244,733	$ 80,680	$ 36,447	$ -	$ -	$ 3,361,860
Investments	7,651,582	490,793	-	-	-	8,142,375
Accounts receivable, net of allowance for doubtful accounts of $111,000	1,443,394	71,300	231,377	3,695	(263,878)	1,485,888
Grants receivable	246,538	-	-	-	-	246,538
Due from related parties	135,917	181,061	-	-	(316,978)	-
Prepaid expenses	189,875	-	4,873	-	-	194,748
Total current assets	12,912,039	823,834	272,697	3,695	(580,856)	13,431,409
FIXED ASSETS						
Furniture and equipment	1,490,545	-	3,720	-	-	1,494,265
Vehicles	-	-	21,859	-	-	21,859
Website	886,221	-	-	-	-	886,221
	2,376,766	-	25,579	-	-	2,402,345
Less: Accumulated depreciation and amortization	(2,340,244)	-	(25,579)	-	-	(2,365,823)
Net fixed assets	36,522	-	-	-	-	36,522
OTHER ASSETS						
Security deposit	78,694	-	9,203	-	-	87,897
Investments held for beneficial interest in perpetual trust	1,252,012	-	-	-	-	1,252,012
Investments, net of current	720,737	271,360	-	-	-	992,097
Deferred compensation investments	317,932	-	-	-	-	317,932
Right-of-use asset, net	232,995	-	524,907	-	-	757,902
Total other assets	2,602,370	271,360	534,110	-	-	3,407,840
TOTAL ASSETS	**$ 15,550,931**	**$ 1,095,194**	**$ 806,807**	**$ 3,695**	**$ (580,856)**	**$ 16,875,771**

The Arc of the United States and Affiliates

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022

LIABILITIES AND NET ASSETS

	The Arc	The Foundation	The Arc of D.C.	The Arc of GA	Eliminations	Total
CURRENT LIABILITIES						
Lease liability	$ 318,136	$ -	$ 118,492	$ -	$ -	$ 436,628
Accounts payable and accrued liabilities	1,558,769	263,878	93,503	8,076	(263,878)	1,660,348
Due to related party	-	-	303,084	21,744	(316,978)	7,850
Deferred revenue	10,000	-	-	-	-	10,000
Accrued contingency liability	-	-	160,000	-	-	160,000
Total current liabilities	1,886,905	263,878	675,079	29,820	(580,856)	2,274,826
LONG-TERM LIABILITIES						
Lease liability, net of current portion	-	-	407,257	-	-	407,257
Deferred compensation	317,932	-	-	-	-	317,932
Total long-term liabilities	317,932	-	407,257	-	-	725,189
Total liabilities	2,204,837	263,878	1,082,336	29,820	(580,856)	3,000,015
NET ASSETS						
Without donor restrictions:						
Undesignated	3,812,500	612,436	(275,529)	(26,125)	-	4,123,282
With donor restrictions	9,533,594	218,880	-	-	-	9,752,474
Total net assets	13,346,094	831,316	(275,529)	(26,125)	-	13,875,756
TOTAL LIABILITIES AND NET ASSETS	**$ 15,550,931**	**$ 1,095,194**	**$ 806,807**	**$ 3,695**	**$ (580,856)**	**$ 16,875,771**

The Arc of the United States and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	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									
Contributed services	$ 14,312,863	$ -	$ 14,312,863	$ -	$ -	$ -	$ -	$ -	$ -
Grants	1,095,045	2,767,858	3,862,903	-	-	-	-	-	-
Affiliation and chapter fees	2,868,531	-	2,868,531	-	-	-	25	-	25
Contributions	1,738,644	76,095	1,814,739	396,362	-	396,362	5,930	-	5,930
Registration fees	1,208,296	-	1,208,296	-	-	-	-	-	-
Contracts	-	-	-	-	-	-	725,899	-	725,899
Program service fees	475,074	-	475,074	-	-	-	14,142	-	14,142
Bequest income	138,711	-	138,711	-	-	-	-	-	-
Royalty income	144,318	-	144,318	-	-	-	-	-	-
Other income	23,443	-	23,443	-	-	-	-	-	-
Investment loss, net	(981,612)	(1,109,602)	(2,091,214)	(110,693)	(52,482)	(163,175)	-	-	-
Net loss in perpetual trust	-	(319,780)	(319,780)	-	-	-	-	-	-
Net assets released from donor restrictions	3,353,395	(3,353,395)	-	-	-	-	18,285	(18,285)	-
Total revenue and support	24,376,708	(1,938,824)	22,437,884	285,669	(52,482)	233,187	764,281	(18,285)	745,996
EXPENSES									
Program Services:									
Chapter Leadership and Development	3,238,301	-	3,238,301	-	-	-	-	-	-
Public Education	7,626,444	-	7,626,444	-	-	-	-	-	-
Public Policy	12,080,670	-	12,080,670	-	-	-	-	-	-
Program Innovation	1,324,646	-	1,324,646	-	-	-	812,255	-	812,255
Total program services	24,270,061	-	24,270,061	-	-	-	812,255	-	812,255
Supporting Services:									
Management and General	482,636	-	482,636	335,267	-	335,267	130,361	-	130,361
Fundraising	1,605,711	-	1,605,711	4,518	-	4,518	-	-	-
Total supporting services	2,088,347	-	2,088,347	339,785	-	339,785	130,361	-	130,361
Total expenses	26,358,408	-	26,358,408	339,785	-	339,785	942,616	-	942,616
Change in net assets	(1,981,700)	(1,938,824)	(3,920,524)	(54,116)	(52,482)	(106,598)	(178,335)	(18,285)	(196,620)
Net assets at beginning of year	5,794,200	11,472,418	17,266,618	666,552	271,362	937,914	(97,194)	18,285	(78,909)
NET ASSETS AT END OF YEAR	**$ 3,812,500**	**$ 9,533,594**	**$ 13,346,094**	**$ 612,436**	**$ 218,880**	**$ 831,316**	**$ (275,529)**	**$ -**	**$ (275,529)**

The Arc of the United States and Affiliates

CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	The Arc of GA			Total			
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Eliminations	Total
REVENUE AND SUPPORT							
Contributed services	$ -	$ -	$ -	$ 14,312,863	$ -	$ -	$ 14,312,863
Grants	-	-	-	1,095,045	2,767,858	-	3,862,903
Affiliation and chapter fees	-	-	-	2,868,556	-	-	2,868,556
Contributions	-	-	-	2,140,936	76,095	(114,000)	2,103,031
Registration fees	-	-	-	1,208,296	-	-	1,208,296
Contracts	-	-	-	725,899	-	-	725,899
Program service fees	13,671	-	13,671	502,887	-	(269,417)	233,470
Bequest income	-	-	-	138,711	-	-	138,711
Royalty income	-	-	-	144,318	-	-	144,318
Other income	-	-	-	23,443	-	-	23,443
Investment loss, net	-	-	-	(1,092,305)	(1,162,084)	-	(2,254,389)
Net loss in perpetual trust	-	-	-	-	(319,780)	-	(319,780)
Net assets released from donor restrictions	-	-	-	3,371,680	(3,371,680)	-	-
Total revenue and support	13,671	-	13,671	25,440,329	(2,009,591)	(383,417)	23,047,321
EXPENSES							
Program Services:							
Chapter Leadership and Development	-	-	-	3,238,301	-	-	3,238,301
Public Education	-	-	-	7,626,444	-	-	7,626,444
Public Policy	-	-	-	12,080,670	-	-	12,080,670
Program Innovation	9,425	-	9,425	2,146,326	-	(9,425)	2,136,901
Total program services	9,425	-	9,425	25,091,741	-	(9,425)	25,082,316
Supporting Services:							
Management and General	8,116	-	8,116	956,380	-	(373,992)	582,388
Fundraising	-	-	-	1,610,229	-	-	1,610,229
Total supporting services	8,116	-	8,116	2,566,609	-	(373,992)	2,192,617
Total expenses	17,541	-	17,541	27,658,350	-	-	27,274,933
Change in net assets	(3,870)	-	(3,870)	(2,218,021)	(2,009,591)	(383,417)	(4,227,612)
Net assets at beginning of year	(22,255)	-	(22,255)	6,341,303	11,762,065	-	18,103,368
NET ASSETS AT END OF YEAR	**$ (26,125)**	**$ -**	**$ (26,125)**	**$ 4,123,282**	**$ 9,752,474**	**$ (383,417)**	**$ 13,875,756**