

FY22
BUDGET REQUEST

**THE ARC
OF
NEW LONDON COUNTY**

December 15, 2020

Kimberly Allen, Finance Director
Town of Waterford
15 Rope Ferry Rd.
Waterford, CT 06385

Dear Ms. Allen, Mr. Brule, and Members of the Allocations Committee:

Enclosed please find our Social Services Agency Funding Request for Fiscal Year 2021/22.

Our Community Life & Advocacy program served 147 people with intellectual and developmental disabilities this year. Despite the pandemic, staff were able to hold virtual classes, groups and events that kept everyone connected and progressing in their program goals. **CL&A is the only program of its kind in the region; it receives no federal of state funds** and depends entirely on the generosity of area municipalities, private foundations, and contributions from area families. CL&A's programming is now offered to anyone with IDD in the entire eastern region.

Attached materials include a description of our services and who they benefit, our current budget for CL&A, our CL&A brochure, and our latest Annual Report.

Number of staff employed **by the entire agency**, and personnel costs:

Full Time: 194 Part Time: 239 Seasonal: 30

Annual Cost of Wages for 2020: \$13,338,319

Benefits and Payroll Taxes: \$2,511,807

Total Personnel Costs: \$15,850,126

Other Municipalities supporting our agency: the Town of Waterford (\$1,800), the Town of Old Lyme (\$850). The Town of Ledyard also supports our agency through its support of both a group residence in town and our Farm Stand/Community Supported Agriculture (CSA) employment training program.

United Way of SE CT Funding (FY19): \$45,869 (29% of the CL&A program total)

In reviewing the attached materials, please consider not only the financial impact your funding has on the Community Life & Advocacy program, but also how The Arc Eastern Connecticut utilizes your support to provide opportunities for people with IDD in Waterford and beyond to give back to the community in meaningful and valuable ways. On behalf of The Arc Eastern Connecticut and our participant families, thank you once again for your consideration.

Sincerely,



Kathleen Stauffer
Chief Executive Officer



Town of Waterford CONNECTICUT

15 Rope Ferry Road
Waterford, CT 06385
860-442-0553

SOCIAL SERVICES FUNDING REQUEST

Organization Name: The Arc Eastern Connecticut

Request Date (Fiscal Year): 2021/22

Requested Amount: \$1,800

Benefit Statement (Describe how these funds will be used)

The Arc Eastern Connecticut's Community Life & Advocacy (CL&A) program supports over 145 adults and young adults with intellectual and developmental disabilities (IDD) from around the region. It is one of several community-based programs that The Arc ECT provides, and is the only program of its kind in the region. Health/fitness activities, social/cultural programs, self-advocacy groups, civic participation, and personal enrichment are some of the varied components of this program. We are once again requesting support from the Town of Waterford to continue to provide, and augment, the services provided by CL&A.

CL&A is the oldest of The Arc's programs, and served 147 adults with IDD in 2019/20, providing opportunities for them to actively engage in the community as independently as possible, and to do so in ways that served personal choices and goals and demonstrated measurable contributions to neighborhoods and to society. For many people with IDD who take advantage of The Arc ECT's services, the CL&A program is critical to the development of a sense of self-esteem and independence. It uses a person-centered model and focuses its weekly activities on three life areas: **Community Involvement, Access, and Independence**. Projects, events and activities under the CL&A umbrella all speak to at least one, if not all three, of these focus areas to ensure participants have every opportunity to define the course of their lives to meet their civic, social and personal enrichment goals and desires.

Although national studies and surveys have consistently shown that activities focusing on inclusion improve the quality of life of people with IDD, **no state or federal funding exists for these essential programs**. The Arc collects a modest fee from participants for each activity, but these fees do not cover the cost of important programs focusing on life skills and self-advocacy, including an **empowerment group** meeting once a month for women who have experienced sexual, physical or emotional violence in their lives, **monthly meetings for men, self-advocacy groups** for teens and adults, **community volunteering activities**, and **self-presentation/life skills** classes.

Until March 2020, participants had the opportunity to attend in-person programming and volunteer/community activities. After the CDC and the Department of Developmental Services issued guidelines regarding the closure of day programs for people with IDD, CL&A staff developed a variety of online and phone-based activities and supports—including developing the program's first Men's Group—that kept people adhering to important routines that mitigated the isolation that many were feeling. The program, when fully operational, also provides door to door transportation for outings. The CL&A program is unique in that **it is not offered by any other agency serving people with IDD in New London County**. It's open to all interested participants from other agencies, and is funded only by donations, United Way, agency fundraising events, town grants, and the minimal activity fee paid by participants if they can afford it.

Funds will be used to defray the costs of outside speakers and facilitators who provide groups with entertaining, valuable and important information on a variety of topics including good nutrition, stress relief, personal safety, trauma support, family and personal relationships, etc. Funds are also used to cover the costs of some program expenses; for example,

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participants are charged a nominal (\$8 door to door) transportation fee to events and programs, but some of our participants and their families are severely economically stressed so we cover that cost as well as other program fees.

The Town of Waterford has been one of CL&A's longtime partners; some of our most enthusiastic participants have come from the Waterford area.

Per Town of Waterford Budget Guidelines: please attach a certified audit report of all funds appropriated during the last completed fiscal year to your funding request.

Complete agency audit attached. Also attached is the CL&A budget. We do not audit this program separately.

DECLARATION

I, the requester, understand that I am requesting public funds from the Town of Waterford.

I declare that this request does not pose any potential conflict with the Town of Waterford and I will provide any documentation requested by the Town of Waterford to authorize funding this request or review the appropriateness of this request.



Signature

December 15, 2020

Date

Community Life & Advocacy--PROGRAM BUDGET

The Arc Eastern Connecticut				
	Prior Year	Current Year	Proposed	
Fiscal Year	FY2020	FY2021	FY2022	% Inc./Dec*
REVENUE				
4000 Contributions	44,976	45,000	50,000	11.11%
4001 United Way Of SE CT Designations	3,814	2,282	3,000	31.46%
4002 Foundations				
4200 Special Events-Net	44,780	55,000	55,000	
4300 Legacies and Bequests				
4500 Contributed by Associated Orgs.				
4700 Other Federated Fund-Raising Orgs.				
4702 Other United Ways				
4800 Unassoc. & Non-Federated Orgs.				
5000 Revenues/Grants from Gov't Agencies	32,630	8,375	8,375	
6000 Membership Dues from Individuals				
6100 Dues- Local Member Units				
6200 Program Service Fee	19,552	15,000	10,000	-33.33%
Sales of Materials/Services to Units				
6400 Sales to Public- Net				
6500 Investment Income	1,739	5,000	5,000	
6600 Gain/Losses on Sales of Assets				
6900 Miscellaneous Revenues				
6901 Transfers from Restricted Funds				
United Way of Southeastern CT Allocation	43,806	45,869	46,000	0.29%
TOTAL REVENUE	191,298	176,526	177,375	0.48%
EXPENSE				
7000 Salaries	105,402	112,780	113,908	1.00%
7100 Employee Benefits	2,688	2,957	3,253	10.00%
7200 Payroll Taxes	8,730	9,341	9,434	1.00%
8000 Professional Contracts/Fees	12,706	1,500	1,500	
8100 Supplies	2,912	3,500	2,728	-22.07%
8200 Telephone	425			
8300 Postage & Shipping				
8400 Occupancy (Rent, Utilities, Maint.)	1,357	1,752	1,752	
8500 Rental & Maintenance of Equipment				
8550 Equipment Acquisition				
8600 Printing & Publications				
8700 Travel & Transportation	22,592	22,500	22,500	
8800 Conferences, Conventions & Meetings				
8900 Special Assistance to Individuals				
9000 Membership Dues				
9100 Awards & Grants				
9200 Interest	40	40	40	
9300 Insurance	72	477	477	
9400 Miscellaneous (Admin & General)		21,679	21,783	0.48%
9500 Depreciation	245			
9691 Dues to National Organization				
TOTAL EXPENSE	157,170	176,526	177,375	0.48%

STRATEGIC PLAN 2020-2023

IN
**PARTNERSHIP
FOR FULL
EQUALITY**

OUR VISION FOR PEOPLE LIVING WITH DISABILITY

Equality of opportunity, equality of choice

OUR VISION FOR OUR ORGANIZATION

The Arc Eastern Connecticut will be eastern Connecticut's leader in partnering and advocating for equality of opportunity and equality of choice.

OUR MISSION IN PARTNERSHIP FOR FULL EQUALITY

To **PARTNER** with people living with intellectual and developmental disabilities for **EQUAL** participation and inclusion in the communities of eastern Connecticut

OPERATING PRINCIPLES

1. **Civil Rights:** We partner with people living with disabilities to promote their voice and champion their perspective.
2. **Community:** We facilitate the development of natural relationships to connect people with their communities.
3. **Innovation:** We continuously break new ground in providing a menu of service options and improving how we operate our organization, to bring about meaningful change for the future.
4. **Family:** We encourage and facilitate family education and engagement as fundamental to helping people living with disability achieve positive outcomes.
5. **Leadership:** We model choice in everything we do.
6. **Change:** We will change our community by modeling and raising awareness of our mission.

OUR VALUES

1. **Person-centered:** We respect and respond to individual choices as the guiding force in the lives of people living with intellectual and developmental disabilities .
2. **Dedication:** Organizationally and individually we are dedicated to people living with disabilities who place their trust in us to provide quality individualized, self-directed supports.
3. **Integrity:** We uphold the highest ethical standards in how we treat people living with disabilities and in how we operate our organization.
4. **Stewardship:** We are fully committed to protecting and maximizing the return on the resources available to us and to embracing the highest standards of accountability.

STRATEGIC INITIATIVE 1

CREATE AND NURTURE STRONG PARTNERSHIPS

The Arc Eastern Connecticut values a person-centered approach in all that we do. We are committed to strengthening and advancing relationships through concierge-style services to customers and team members alike, offering education, advocacy, community partnerships and collaborations. We are committed to having a customer base and team reflective of our community.

STRATEGIC INITIATIVE 2

INVEST IN A DIVERSE & TALENTED WORKFORCE

The Arc Eastern Connecticut is committed to building a workforce that invests in its most valuable resource, its people (person-centered). We are committed to providing the team with training, personal and professional development, access to technology, and a fair and consistent hiring, evaluation and retention processes.

STRATEGIC INITIATIVE 3

INFRASTRUCTURE

The Arc Eastern Connecticut will provide welcoming, safe and functional facilities. It is our priority to consistently align facility needs with resources to ensure proper use and growth.

STRATEGIC INITIATIVE 4

COMMUNITY ENGAGEMENT

The Arc Eastern Connecticut values its advocates, partners, and supporters. We believe we are stronger together. We are committed to growing our donor base, developing planned giving, and setting annual fundraising goals.

STRATEGIC INITIATIVE 5

INNOVATION

The Arc Eastern Connecticut holds innovation, creativity and optimization in high regard. As we grow, we are committed to providing plans that make The Arc Eastern Connecticut the “go to” innovator, problem solver, and service collaborator for Connecticut.

The Arc New London County, Inc.

**Financial Statements
and Independent Auditor's Report**

June 30, 2019 and 2018

The Arc New London County, Inc.

Index

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements	
Statements of Financial Position	4
Statements of Activities	6
Statement of Functional Expenses	7
Statements of Cash Flows	8
Notes to Financial Statements	9

Independent Auditor's Report

To the Board of Directors
The Arc New London County, Inc.

Report on Financial Statements

We have audited the accompanying financial statements of The Arc New London County, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, and cash flows for the years then ended and the statement of functional expenses for the year ended June 30, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Arc New London County, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2020, on our consideration of The Arc New London County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Arc New London County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Arc New London County, Inc.'s internal control over financial reporting and compliance.



Hartford, Connecticut
January 29, 2020

The Arc New London County, Inc.

Statements of Financial Position
June 30, 2019 and 2018

Assets

	2019	2018
Current assets		
Cash	\$ 1,888,410	\$ 1,646,884
Grants receivable	62,749	378,111
Accounts receivable, net	206,309	145,444
Prepaid expenses	232,413	185,122
Investments	32,571	30,176
Total current assets	2,422,452	2,385,737
Property, equipment and improvements, net	3,642,076	3,698,594
Other assets		
Restricted cash	66,376	66,343
Investment held by third party	16,714	15,226
Other assets	9,447	9,447
Total other assets	92,537	91,016
Total assets	\$ 6,157,065	\$ 6,175,347

The Arc New London County, Inc.

Statements of Financial Position
June 30, 2019 and 2018

Liabilities and Net Assets

	2019	2018
Current liabilities		
Accounts payable	\$ 231,480	\$ 120,086
Accrued expenses	728,801	700,460
Deferred revenue	238,246	247,235
Mortgage notes payable, current portion	117,186	125,197
Deferred capital improvements, current portion	24,801	26,337
Capital lease obligations, current portion	16,758	15,789
Total current liabilities	1,357,272	1,235,104
Long-term liabilities		
DDS cash advances	219,712	132,057
Mortgage notes payable, less current portion	1,239,598	1,356,692
Deferred capital improvements, less current portion	145,844	170,644
Capital lease obligations, less current portion	531,884	547,730
Total long-term liabilities	2,137,038	2,207,123
Total liabilities	3,494,310	3,442,227
Commitment and contingencies		
Net assets		
Without donor restrictions	2,593,937	2,625,437
With donor restrictions	68,818	107,683
Total net assets	2,662,755	2,733,120
Total liabilities and net assets	\$ 6,157,065	\$ 6,175,347

See Notes to Financial Statements.

The Arc New London County, Inc.

Statements of Activities
Years Ended June 30, 2019 and 2018

	2019	2018
Changes in net assets without donor restrictions		
Revenues		
Residential and day programs	\$ 11,811,703	\$ 10,405,086
Fee for service	743,275	865,286
Grants and contributions	321,544	271,081
Other	330,136	161,923
Rental and interest income	85,417	83,065
Net assets released from restrictions	39,985	10,944
Total revenues	13,332,060	11,797,385
Expenses		
Program expenses	11,496,977	10,045,713
Fundraising expenses	23,721	22,727
Administrative expenses	1,842,862	1,528,824
Total expenses	13,363,560	11,597,264
Change in net assets without donor restrictions	(31,500)	200,121
Changes in net assets with donor restrictions		
Grants and contributions	1,120	75,136
Net assets released from restrictions	(39,985)	(10,944)
Change in net assets with donor restrictions	(38,865)	64,192
Change in net assets	(70,365)	264,313
Net assets, beginning	2,733,120	2,468,807
Net assets, end	\$ 2,662,755	\$ 2,733,120

See Notes to Financial Statements.

The Arc New London County, Inc.

Statement of Functional Expenses
Year Ended June 30, 2019
(With comparative totals for 2018)

	Program expenses	Administrative expenses	Fundraising expenses	Total 2019	Total 2018
Salaries and wages	\$ 7,521,099	\$ 1,013,225	\$ -	\$ 8,534,324	\$ 7,322,561
Benefits and payroll tax	1,489,163	169,769	-	1,658,932	1,585,671
Transportation expenses	722,273	28,428	-	750,701	658,591
Program supplies	484,714	120,687	-	605,401	468,873
Utilities	274,777	34,136	-	308,913	281,514
Consulting	226,202	13,119	-	239,321	239,365
Depreciation and amortization	212,703	15,690	-	228,393	224,024
Repairs and maintenance	234,817	-	-	234,817	178,436
Interest	101,115	1,312	-	102,427	109,408
Rent	106,098	-	-	106,098	101,151
Professional services	27,098	228,749	-	255,847	182,992
Insurance	47,404	13,297	-	60,701	58,564
Activities	23,090	385	-	23,475	25,614
Training	9,336	18,017	-	27,353	46,164
Miscellaneous	12,453	728	-	13,181	(4,976)
Recruitment and hiring	1,393	32,504	-	33,897	28,739
Temporary help	2,318	124,633	-	126,951	36,037
Events expenses	-	-	23,721	23,721	22,727
Association membership	924	28,183	-	29,107	31,809
	<u>\$ 11,496,977</u>	<u>\$ 1,842,862</u>	<u>\$ 23,721</u>	<u>\$ 13,363,560</u>	<u>\$ 11,597,264</u>

See Notes to Financial Statements.

The Arc New London County, Inc.

Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Change in net assets	\$ (70,365)	\$ 264,313
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net unrealized (gain) loss on investments	(384)	436
Net unrealized gain on investment held by third party	(1,488)	(1,096)
Depreciation and amortization	228,393	224,024
Deferred capital improvements amortization	(26,336)	(34,017)
Changes in operating assets and liabilities		
Grants receivable	315,362	156,343
Accounts receivable	(60,865)	981
Prepaid expenses	(47,291)	(38,956)
Accounts payable	111,394	(4,101)
Accrued expenses	28,341	70,819
Deferred revenue	(8,989)	124,180
Net cash provided by operating activities	<u>467,772</u>	<u>762,926</u>
Cash flows from investing activities		
Restricted cash	(33)	(38)
Purchases of investments	(2,011)	(1,230)
Purchase of property, equipment and improvements	<u>(171,875)</u>	<u>(162,402)</u>
Net cash used in investing activities	<u>(173,919)</u>	<u>(163,670)</u>
Cash flows from financing activities		
Repayments of long-term debt	(125,105)	(128,546)
DDS cash advance	87,655	-
Repayments of capital lease obligations	<u>(14,877)</u>	<u>(14,919)</u>
Net cash used in financing activities	<u>(52,327)</u>	<u>(143,465)</u>
Net increase in cash	241,526	455,791
Cash, beginning	<u>1,646,884</u>	<u>1,191,093</u>
Cash, end	<u><u>\$ 1,888,410</u></u>	<u><u>\$ 1,646,884</u></u>
Supplemental disclosures of cash flow data		
Interest paid	<u><u>\$ 102,427</u></u>	<u><u>\$ 109,408</u></u>

See Notes to Financial Statements.

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 1 - Organization and summary of significant accounting policies

Organization

The Arc New London County, Inc. (the "Arc") is a nonprofit organization which provides placement opportunities and services for people in New London County, Connecticut with developmental disabilities.

On July 1, 2019, the Arc acquired the assets and assumed the liabilities of The Arc of Quinebaug Valley, Inc., which is a 501(c)(3) nonprofit corporation. The Arc of Quinebaug Valley, Inc. provides mental health services for individuals with special needs that are located in the Quinebaug Valley area. Detail of the assets acquired and liabilities assumed is provided in Note 17.

Basis of presentation

The accompanying financial statements of the Arc have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Arc reports information regarding its financial position and activities according to the following net asset categories:

Net assets without donor restrictions - Net assets without donor restrictions represent available resources other than donor-restricted contributions. Included in net assets without donor restrictions are funds that may be earmarked for specific purposes.

Net assets with donor restrictions - Net assets subject to donor- (or certain grantor-) 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Tax-exempt status

The Arc is organized as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and, as such, is not subject to federal or state corporate income taxes.

Arc has no unrecognized tax benefits at June 30, 2019 and 2018. Arc's federal information returns prior to fiscal year 2016 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If Arc has unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the income tax provision and include accrued interest and penalties with the related tax liability in the statements of financial position.

Cash

Cash includes all cash balances and highly liquid short-term investments with an original maturity of three months or less when acquired. There were no cash equivalents as of June 30, 2019 and 2018.

Restricted cash

Restricted cash is held as collateral for debt with Saving Institute Bank and Trust (see Note 7).

Grants and accounts receivable

Accounts receivable principally represent monies due from Department of Developmental Services ("DDS") and Department of Social Services ("DSS"). Accounts receivable arising from regular operations are stated net of an allowance for doubtful accounts when applicable. Allowances for

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

accounts receivable are determined by management based on an assessment of their collectability. Management considers past history, current economic conditions and overall viability of the third party when considering the need for an allowance. Receivables are written off when management determines amounts will not be collected. Receivables are considered past due based on invoice date. There is an allowance for accounts receivable at both June 30, 2019 and 2018 of \$6,200.

Investments

Arc reports investments at their current fair value and reflects any gain or loss in the statements of activities. Gains and losses are considered unrestricted unless restricted by donor stipulation or law. Nonmonetary investments received as gifts are immediately sold and recorded at the realized value.

Property, equipment and improvements

Arc capitalizes all expenditures for property and equipment exceeding \$2,500, with a useful life greater than three years. Purchased property and equipment are carried at cost less accumulated depreciation. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation and amortization are computed using the straight-line method over their estimated useful lives or life of lease where applicable. Estimated lives for financial reporting purposes are as follows:

<u>Asset</u>	<u>Estimated lives</u>
Buildings and improvements	5 - 39.5 years
Vehicles	3 - 5 years
Furniture and equipment	5 - 10 years
Leasehold improvements	Shorter of lease life or useful life

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in change in net assets for the period.

Investment held by third party

Arc has an investment held by the Community Foundation of Southeastern Connecticut (the "Foundation"). Arc established the fund in 2003. With each \$10,000 contributed, the Foundation matches \$1,000. The \$1,000 match is a contribution of net assets with donor restrictions.

Revenue recognition

Program and contract revenue

Arc manages residential facilities, in home support and day programs for individuals with special needs. Revenue is recognized when the services are performed. The residential facilities are reimbursed according to regulations governing Community Living Arrangements. Food and lodging costs are reimbursed by DSS and other covered expenses are reimbursed by DDS. Services provided by Arc related to day programs and in home and community residential programs are reimbursed through a direct contract with DDS and/or billed through a fiscal intermediary. Reimbursement of certain expenses is subject to maximum per diem rate limitations and annual cost settlement regulations.

Fundraising and contributions

Arc conducts various fundraising activities during the year including special events and appeals for donations. Revenues generated by these activities were \$114,576 and \$106,350 and the

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

total costs of fundraising activities were \$23,721 and \$22,727 for the years ended June 30, 2019 and 2018, respectively.

Arc reports unconditional promises to give as revenue when the promise is received. Conditional promises to give are recognized as revenue when the condition is met. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period have been reported as unrestricted support in the statements of activities.

Deferred revenue

Program and contract revenue received in advance is recorded as deferred revenue and recorded in the period to which it relates.

Functional expense allocation

The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Newly adopted accounting standards

During 2018, Arc adopted the provisions of Accounting Standards Update ("ASU") 2016-14. The provisions improve the usefulness and reduce the complexities of information provided to donors, grantors, creditors, and other users of the financial statements by eliminating the distinction between resources with permanent restrictions and those with temporary restrictions from the face of the financial statements. Enhanced disclosures in the notes to the financial statements will provide useful information about the nature, amounts and effects of the various types of donor-imposed restrictions, which often include limits on the purposes for which the resources can be used as well as the time frame for their use. The guidance also enhances disclosures for board-designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both the nature and functional classification. While the adoption of ASU 2016-14 requires net assets to be presented with and without donor restrictions, the ASU had no effect on Arc's total net assets.

Subsequent events

Arc has evaluated subsequent events through January 29, 2020, which is the date the financial statements were available to be issued as noted in Note 17.

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 2 - Concentrations

Funding source

Arc's program revenue is primarily derived from contracts with DDS. Total revenue received from DDS in 2019 and 2018 was \$11,327,879 and \$9,927,719, respectively. Amounts due from DDS at June 30, 2019 and 2018 were \$62,749 and \$378,111, respectively.

Concentrations of credit risk

Financial instruments which potentially subject Arc to concentrations of credit risk consist primarily of cash and accounts receivable. Arc maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits. At June 30, 2019, the cash balance exceeded the federally insured limit by approximately \$1,488,000.

Note 3 - Liquidity

Arc regularly monitors liquidity required to meet its annual operating needs and other contractual commitments while also striving to maximize the return on investment of its funds not required for annual operations. As of June 30, 2019, Arc has approximately \$2.1 million of financial assets available to meet annual operating needs for the 2020 fiscal year, as follows:

Cash	\$ 1,888,410
Accounts receivable	206,309
Grants receivable	62,749
Investments available for subsequent year	<u>32,571</u>
Total financial assets	2,190,039
Less net assets with donor restrictions	<u>(68,818)</u>
Total financial assets available	<u>\$ 2,121,221</u>

These financial assets are not subject to any donor or contractual restrictions.

Arc supports its general operations primarily with unrestricted donor contributions and donor-restricted funds whose time or purpose restriction has been met.

Arc's invests in a portfolio to maintain liquid instruments within its portfolio to ensure assets are available to meet general expenditures, liabilities and other obligations as they come due.

In addition to financial assets available to meet general expenditures within one year, Arc has a line of credit for up to \$750,000 with Chelsea Groton Bank that they can draw upon (see Note 8).

Note 4 - Accounts receivable/ DDS bridge funding advances

Arc retains bridge funding advances from DDS to fund the cash flow requirements of Arc associated with certain DDS programs. DDS provided Arc a cash advance equal to one month of claims associated with Day and In Home Supports programs, which is \$1,375,014.

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

As shown below, these advances are offset against DDS accounts receivable on the accompanying statements of financial position.

	<u>2019</u>	<u>2018</u>
DDS accounts receivable	\$ 1,437,763	\$ 1,226,743
Less DDS bridge funding advance	<u>(1,375,014)</u>	<u>(848,632)</u>
Grants receivable, net	<u>\$ 62,749</u>	<u>\$ 378,111</u>

Note 5 - Investments

The following summarizes Arc's investments at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Money funds	\$ 1,431	\$ 2,112
Common stock	31,140	28,064
Community Foundation of Southeastern Connecticut	<u>16,714</u>	<u>15,226</u>
Total	<u>\$ 49,285</u>	<u>\$ 45,402</u>

All investments are financial instruments whose fair value can be readily determined. Investments are reported at fair value, which includes adjustments for unrealized gains and losses. Unrealized gains and losses arise from changes in the fair value of investments exclusive of dividend and interest income recognized but not yet received and exclusive of any write-down of the carrying amount of investments because of impairment. Unrealized gains and losses are reported as increases or decreases in unrestricted net assets. Arc's investments are not encumbered by any restrictions from donors or creditors. The fair value is subject to the risks of market and economic conditions.

Arc values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to level 1 inputs.
- Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

In determining fair value, Arc utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk in its assessment of fair value.

Money funds and common stock are valued at level 1. Common stocks that are listed on a national securities exchange or reported on the NASDAQ national market are valued at their last sales price or valuation date.

Investments held by the Foundation are classified as level 3 using allocations provided by the third party. Details regarding investments held for long-term purposes measured at fair value on a recurring basis using significant unobservable inputs (level 3) are as follows:

June 30, 2017	\$ 14,130
Change in value	<u>1,096</u>
June 30, 2018	15,226
Change in value	<u>1,488</u>
June 30, 2019	<u><u>\$ 16,714</u></u>

There have been no changes in valuation techniques and related inputs used at June 30, 2019 and 2018. Arc's policy is to recognize transfers in and out of various levels as of the actual date of the event. There were no transfers during the years ended June 30, 2019 and 2018.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Arc believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Note 6 - Property and equipment

Components of property and equipment are as follows:

	<u>2019</u>	<u>2018</u>
Buildings	\$ 3,409,885	\$ 3,409,885
Capital and leasehold improvements	1,670,030	1,559,140
Furniture, fixtures and equipment	318,147	310,069
Vehicles	<u>267,915</u>	<u>215,008</u>
	5,665,977	5,494,102
Less accumulated depreciation	(3,195,674)	(2,967,281)
Land	<u>1,171,773</u>	<u>1,171,773</u>
	<u><u>\$ 3,642,076</u></u>	<u><u>\$ 3,698,594</u></u>

Depreciation expense including capital leased assets was \$228,393 and \$224,024 for the years ended June 30, 2019 and 2018, respectively.

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 7 - Long-term debt

Long-term debt consists of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
6.00% seven mortgage loans payable to DDS, collateralized by real estate. Monthly principal and interest payments ranging from \$84 - \$2,153 are payable through September 2030.	\$ 637,707	\$ 699,957
3.40% two mortgage loans payable to Connecticut Housing and Financing Authority ("CHFA"), collateralized by real estate. Monthly principal and interest payments ranging from \$1,547 - \$2,353 are payable through December 2041.	600,232	618,872
4.5% - \$4.88% two notes payable to Chelsea Groton Bank, collateralized by real estate. Monthly principal and interest payments of \$2,003 - \$2,224 are payable through April 2022.	72,614	108,815
2.55% note payable to Saving Institute Bank and Trust, collateralized by cash which is restricted on the statements of financial position. Monthly principal and interest payments of \$479 are payable through May 2027.	41,136	45,743
2.7% notes payable to Saving Institute Bank and Trust, collateralized by equipment. Monthly principal and interest payments of \$288 are payable through December 2020.	<u>5,095</u>	<u>8,502</u>
	1,356,784	1,481,889
Less current portion	<u>(117,186)</u>	<u>(125,197)</u>
Total	<u>\$ 1,239,598</u>	<u>\$ 1,356,692</u>

Future maturities of long-term debt for each of the five years subsequent to 2019 and thereafter are as follows:

2020	\$ 117,186
2021	119,109
2022	94,784
2023	71,610
2024	76,673
Thereafter	<u>877,422</u>
Total	<u>\$ 1,356,784</u>

Related interest expense for the years ended June 30, 2019 and 2018 was \$66,909 and \$73,444, respectively.

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 8 - Line of credit

Arc had a \$350,000 line of credit with Chelsea Groton Bank which expired on April 2019. The line of credit had a stated interest rate of 6.50% and was collateralized by the assets of Arc. The line of credit was limited to 75% of eligible accounts receivable balances. There was no outstanding balance as of June 30, 2018.

During August 2019, Arc entered into a \$750,000 line of credit agreement with Chelsea Groton Bank. The line of credit is limited to 75% of eligible accounts receivable balances. The line of credit has a stated interest rate at one percentage point above Chelsea Groton Bank's Base Rate with a 5% floor. There was no outstanding balance as of June 30, 2019.

Note 9 - Capital lease obligations

Arc leased two properties with CIL Realty, Inc. ("CIL") through November 2039. The property will transfer ownership at the end of the lease term. The assets and related liability under the capital leases are recorded at the fair values of the assets. The assets are amortized over the shorter of their related lease terms or their estimated productive lives. Amortization of the assets under the capital leases is included in depreciation and amortization expense.

Accordingly, the assets were capitalized and have the following book values at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Building	\$ 532,069	\$ 532,069
Less accumulated amortization	(204,441)	(186,705)
Land	<u>160,174</u>	<u>160,174</u>
Total	<u>\$ 487,802</u>	<u>\$ 505,538</u>

Related interest expense for the years ended June 30, 2019 and 2018 was \$35,518 and \$35,964, respectively. Amortization expense relating to the capital lease obligations for both years ended June 30, 2019 and 2018 was \$17,736.

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

At June 30, 2019, future minimum lease payments due under capital leases are as follows:

2020	\$	50,841
2021		50,841
2022		50,841
2023		50,841
2024		50,841
Thereafter		<u>684,297</u>
Total future minimum lease payments		938,502
Less amount representing interest		<u>(389,860)</u>
Present value of net minimum lease payments		548,642
Less current portion		<u>(16,758)</u>
Long-term portion	\$	<u><u>531,884</u></u>

Note 10 - Commitments

Real estate

Arc leases three facilities and is responsible for utilities, maintenance and insurance. Related rent expense for the years ended June 30, 2019 and 2018 was \$106,098 and \$101,151, respectively. Monthly rental payments range between \$1,450 - \$5,500 expiring at various times through May 2023.

Vehicles and equipment

Arc also leases vehicles and copiers for amounts ranging from \$182 - \$1,641 per month through May 2024. Related rent expense for the years ended June 30, 2019 and 2018 was \$195,069 and \$197,313, respectively.

Future minimum lease payments due under all non-cancelable operating leases are as follows:

2020	\$	251,799
2021		192,157
2022		147,623
2023		83,027
2024		<u>14,260</u>
Total	\$	<u><u>688,866</u></u>

Note 11 - DDS cash advances

When a facility commences operations, Arc may receive an operational advance from DDS equal to one month service revenue based on full capacity. These operational advances are applied against the final reimbursement when a facility ceases its agency relationship with DDS. Total operational advances received by Arc amounted to \$219,712 and \$132,057 the years ended June 30, 2019 and 2018, respectively.

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 12 - Deferred capital improvements

During the fiscal year ended June 30, 2009, Arc received funding from DDS for Grant-In-Aid bonding funds of \$92,165, which provided funding for replacement of the roof at Arc's headquarters facility in Norwich, Connecticut. A 10-year lien has been filed in favor of the State of Connecticut for the amount of the bond funding, of which a declining percentage of the award will be required to be returned to the State should Arc cease their operations as a DDS funded day program site during this period. Accordingly, the deferred bond revenue is being amortized over the 10-year lien period. The balance of the bond funds at June 30, 2019 and 2018 was \$0 and \$1,536, respectively, and is included under current liabilities on the statements of financial position.

During the fiscal year ended June 30, 2016, Arc received bond funds of \$248,008 from Office of Policy Management for building improvements. The improvements were placed in service during this fiscal year; the grants are being amortized and recognized over the life of the improvements. The deferred balance for these grants for the fiscal years ended June 30, 2019 and 2018 was \$170,645 and \$195,445, respectively.

Note 13 - Retirement plan

Arc maintains a 403(b) retirement plan covering all eligible employees. The matching percentage is governed by the plan document. Arc contributed \$45,404 and \$40,727 to the plan for the years ended June 30, 2019 and 2018, respectively.

Note 14 - Net assets with time or purpose donor restrictions

Net assets with time or purpose donor restrictions are available for the following purposes as of June 30, 2019 and 2018:

	2019	2018
Program restrictions	\$ 19,520	\$ 21,948
Capital restrictions	48,298	84,735
Total net assets with time and purpose restrictions	67,818	106,683
Net assets restricted in perpetuity	1,000	1,000
Total net assets with donor restrictions	<u>\$ 68,818</u>	<u>\$ 107,683</u>

Net assets with time or purpose donor restrictions released from restrictions for the years ended June 30, 2019 and 2018 were as follows:

	2019	2018
Program restrictions	\$ 2,798	\$ 4,473
Capital restrictions	37,187	6,471
Total net assets with time and purpose restrictions	<u>\$ 39,985</u>	<u>\$ 10,944</u>

The Arc New London County, Inc.

**Notes to Financial Statements
June 30, 2019 and 2018**

Note 15 - National and state affiliations

The Arc New London County, Inc. is affiliated with The Arc Connecticut and The Arc United States. In exchange for dues to these two organizations, Arc gets assistance in promoting the joint causes of the organizations with state and federal governments.

Note 16 - Functionalized expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation, and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

Note 17 - Subsequent events.

As described in Note 1, the Arc acquired The Arc of Quinebaug Valley, Inc. ("QVArc") on July 1, 2019. Upon completion of the acquisition, Arc shall be the surviving corporation. No consideration was paid as part of the acquisition. The following table summarizes assets acquired, and liabilities assumed at the acquisition date.

Cash	\$ 763,514
Receivables	521,030
Inventory	13,449
Other current assets	72,325
Other assets	29,583
Property and equipment	<u>2,266,645</u>
Total assets	<u>\$ 3,666,546</u>
Notes payable	\$ 1,566,182
Accounts payable and accrued expenses	<u>346,459</u>
Total liabilities	1,912,641
Net assets	<u>1,753,905</u>
Total liabilities and net assets	<u>\$ 3,666,546</u>

Final valuation of the assets acquired, and liabilities assumed will be determined after this report date.

Subsequent to the merger with QVArc on July 1, 2019, The Arc New London County, Inc. changed its name to The Arc Eastern Connecticut, Inc.



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The Arc of Quinebaug Valley, Inc.

Financial Statements

June 30, 2019

**The Arc of Quinebaug Valley, Inc.
June 30, 2019**

Table of Contents

Independent Auditor's Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-20



APICELLA, TESTA & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

Achille A. Apicella, CPA ■ John J. Zaprzalka, CPA ■ James E. Traester, CPA

Independent Auditor's Report

To the Board of Directors
The Arc of Quinebaug Valley, Inc.

We have audited the accompanying financial statements of The Arc of Quinebaug Valley, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Arc of Quinebaug Valley, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the 2018 financial statements have been restated to reflect a change in accounting principle due to the adoption of Accounting Standards Update (ASU) 2016-14. Our opinion is not modified with respect to this matter.

Apicella, Testa & Company, P.C.

APICELLA, TESTA & COMPANY, P.C.
Certified Public Accountants

Shelton, Connecticut
January 21, 2020

The Arc of Quinebaug Valley, Inc.
Statements of Financial Position
As of June 30, 2019 and 2018

	2019	(As Restated) 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 763,514	\$ 1,005,103
Accounts receivable (net)	521,030	192,189
Promises to give	-	1,450
Inventory	13,449	12,639
Prepaid expenses and other assets	72,325	87,839
Total current assets	<u>1,370,318</u>	<u>1,299,220</u>
Property and equipment (net)	<u>2,266,645</u>	<u>2,352,170</u>
Other assets:		
Client custodial funds	20,452	6,687
Funds held for others	4,819	4,814
Total other assets	<u>25,271</u>	<u>11,501</u>
Endowment funds	<u>4,312</u>	<u>4,310</u>
Total assets	<u>\$ 3,666,546</u>	<u>\$ 3,667,201</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 130,888	\$ 33,183
Accrued payroll and related liabilities	184,289	159,159
Due to clients	26,463	9,483
Line of credit	-	22,926
Notes payable - current portion	74,767	72,195
Total current liabilities	<u>416,407</u>	<u>296,946</u>
Long-term liabilities:		
Notes payable - net of current portion	<u>1,491,415</u>	<u>1,564,984</u>
Other liabilities:		
Funds held for others	4,819	4,814
Refundable advances	-	82,086
Total other liabilities	<u>4,819</u>	<u>86,900</u>
Total liabilities	<u>1,912,641</u>	<u>1,948,830</u>
Net assets:		
Without donor restrictions	<u>1,721,883</u>	<u>1,633,829</u>
With donor restrictions:		
Time and purpose restricted	27,722	80,242
Restricted in perpetuity	4,300	4,300
Total with donor restrictions	<u>32,022</u>	<u>84,542</u>
Total net assets	<u>1,753,905</u>	<u>1,718,371</u>
Total liabilities and net assets	<u>\$ 3,666,546</u>	<u>\$ 3,667,201</u>

The accompanying notes are an integral part of this financial statement.

The Arc of Quinebaug Valley, Inc.
Statements of Activities
For the Years Ended June 30, 2019 and 2018

	2019	(As Restated) 2018
Changes in net assets without donor restrictions		
Revenue and support:		
Program service revenue	\$ 5,142,641	\$ 4,857,531
Subcontract revenue	231,970	200,761
Fundraising, donations, and grants (net)	217,421	107,447
Other income	17,105	12,519
Net assets released from restrictions	54,697	23,178
Total revenue and support	<u>5,663,834</u>	<u>5,201,436</u>
Expenses:		
Program services:		
Day programs	2,358,448	1,910,448
Fee for service & other programs	267,962	412,434
Supported living programs	984,733	1,033,790
Community living arrangements	1,215,625	1,090,680
Total program services	<u>4,826,768</u>	<u>4,447,352</u>
Supporting services:		
Fundraising and development	47,851	46,004
Management and general	701,161	543,632
Total expenses	<u>5,575,780</u>	<u>5,036,988</u>
Changes in net assets without donor restrictions	<u>88,054</u>	<u>164,448</u>
Changes in net assets with donor restrictions		
Contributions and grants	3,125	24,806
Earnings on endowment funds	2	2
Losses on uncollectible pledges	(950)	(600)
Net assets released from restrictions	(54,697)	(23,178)
Changes in net assets with donor restrictions	<u>(52,520)</u>	<u>1,030</u>
Change in net assets	35,534	165,478
Net assets - beginning of year	1,718,371	1,552,893
Net assets - end of year	<u>\$ 1,753,905</u>	<u>\$ 1,718,371</u>

The accompanying notes are an integral part of this financial statement.

The Arc of Quinebaug Valley, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Services				Supporting Services		Total
	Day Programs	Fee for Service & Other Programs	Supported Living Programs	Community Living Arrangements	Fundraising and Development	Management and General	
Salaries and wages	\$ 1,357,948	\$ 173,133	\$ 727,696	\$ 763,648	\$ 21,316	\$ 308,786	\$ 3,352,527
Payroll taxes	137,356	16,060	62,471	67,965	1,795	25,540	311,187
Employee benefits	119,517	8,597	99,541	110,126	703	23,376	361,860
Client remunerations	148,862	6,004	-	-	-	-	154,866
Training and education	1,826	301	480	1,491	-	532	4,630
Consultants	8,964	4,456	10,152	10,992	-	224,909	259,473
Supplies and expense	102,813	16,164	27,799	95,887	23,693	67,757	334,113
Cost of goods sold	74,128	-	-	-	-	-	74,128
Rent	-	-	-	2,107	-	-	2,107
Utilities	33,635	1,966	1,026	16,274	52	3,315	56,268
Repairs and maintenance	63,689	4,332	2,078	31,498	95	12,548	114,240
Property taxes	-	764	-	-	-	-	764
Depreciation	123,072	14,365	20,555	59,137	151	10,050	227,330
Vehicle and travel expense	121,701	15,596	27,755	14,714	16	6,998	186,780
Interest	23,392	2,227	793	33,572	30	1,902	61,916
Insurance	41,545	3,997	4,387	8,214	-	9,300	67,443
Bad debt expense	-	-	-	-	-	6,148	6,148
Total expenses	<u>\$ 2,358,448</u>	<u>\$ 267,962</u>	<u>\$ 984,733</u>	<u>\$ 1,215,625</u>	<u>\$ 47,851</u>	<u>\$ 701,161</u>	<u>\$ 5,575,780</u>

APICELLA, TESTA & COMPANY, P.C.
 CERTIFIED PUBLIC ACCOUNTANTS
 & BUSINESS ADVISORS

The accompanying notes are an integral part of this financial statement.

**The Arc of Quinebaug Valley, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2018**

	Program Services				Supporting Services		Total
	Day Programs	Fee for Service & Other Programs	Supported Living Programs	Community Living Arrangements	Fundraising and Development	Management and General	
Salaries and wages	\$ 1,057,580	\$ 258,767	\$ 756,532	\$ 708,414	\$ 20,541	\$ 331,837	\$ 3,133,671
Payroll taxes	117,092	25,423	68,159	63,288	1,774	26,763	302,499
Employee benefits	113,733	10,826	97,653	101,082	603	24,702	348,599
Client remunerations	165,590	7,303	-	-	-	-	172,893
Training and education	3,627	3,290	922	685	8	952	9,484
Consultants	4,176	5,409	12,876	8,884	1	66,937	98,283
Supplies and expense	36,852	19,667	37,920	56,157	22,627	59,076	232,299
Cost of goods sold	63,813	-	-	-	-	-	63,813
Utilities	28,433	7,765	1,306	16,025	52	3,696	57,277
Repairs and maintenance	42,679	11,947	1,854	26,477	85	9,171	92,213
Property taxes	8,018	1,145	-	4,407	-	-	13,570
Depreciation	125,316	34,201	23,046	52,385	138	10,214	245,300
Vehicle and travel expense	91,880	16,129	26,193	10,396	47	4,460	149,105
Interest	22,512	5,532	1,146	34,850	31	1,995	66,066
Insurance	29,147	5,030	6,183	7,630	97	3,757	51,844
Bad debt expense	-	-	-	-	-	72	72
Total expenses	<u>\$ 1,910,448</u>	<u>\$ 412,434</u>	<u>\$ 1,033,790</u>	<u>\$ 1,090,680</u>	<u>\$ 46,004</u>	<u>\$ 543,632</u>	<u>\$ 5,036,988</u>

APICELLA, TESTA & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

The accompanying notes are an integral part of this financial statement.

The Arc of Quinebaug Valley, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	\$ 35,534	\$ 165,478
Adjustments to reconcile change in net assets to net cash flows provided by (used in) operating activities:		
Depreciation	227,330	245,300
Bad debt expense	6,148	72
Contributions received for capital purchases	(52,989)	(24,806)
(Increase) decrease in assets:		
Accounts receivable (net)	(334,989)	186,348
Promises to give	1,450	500
Inventory	(810)	1,119
Prepaid expenses and other assets	15,514	(6,513)
Client custodial funds	(13,765)	15,278
Endowment funds	(2)	598
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	97,705	(6,197)
Accrued payroll and related liabilities	25,130	(5,263)
Due to clients	16,980	(15,278)
Refundable advances	(82,086)	-
Total adjustments	<u>(94,384)</u>	<u>391,158</u>
Net cash provided by (used in) operating activities	<u>(58,850)</u>	<u>556,636</u>
Cash flows from investing activities		
Purchase of property and equipment	<u>(141,805)</u>	<u>(20,535)</u>
Net cash provided by (used in) investing activities	<u>(141,805)</u>	<u>(20,535)</u>
Cash flows from financing activities		
Contributions received for capital purchases	52,989	24,806
Payments on line of credit	(22,926)	(20,009)
Payments on notes payable	<u>(70,997)</u>	<u>(71,975)</u>
Net cash provided by (used in) financing activities	<u>(40,934)</u>	<u>(67,178)</u>
Net increase (decrease) in cash and cash equivalents	(241,589)	468,923
Cash and cash equivalents - beginning of year	1,005,103	536,180
Cash and cash equivalents - end of year	<u>\$ 763,514</u>	<u>\$ 1,005,103</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	<u>\$ 61,916</u>	<u>\$ 66,066</u>
Supplemental disclosure of non-cash activities		
Donated goods	<u>\$ 11,315</u>	<u>\$ -</u>
Contributed use of real property	<u>\$ 2,107</u>	<u>\$ -</u>
Disposal of fully depreciated property and equipment	<u>\$ 39,420</u>	<u>\$ 121,407</u>

The accompanying notes are an integral part of this financial statement.

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

Note 1 – General

The Arc of Quinebaug Valley, Inc. (the Agency) is a not-for-profit human services agency founded in 1952 that serves the needs of individuals with intellectual, developmental, and other life-affecting disabilities and their families in Northeastern Connecticut. The Arc of Quinebaug Valley is committed to providing supports that reflect dignity, respect, and choice.

The Agency offers a variety of programs and services including retirement day services, group and individualized supported employment, individualized day programs, education services, and residential supports. The Agency's day programs also include a thrift shop (The Arc Emporium) and a bottle and can redemption program (Project Redemption), both of which employ individuals with disabilities.

The Agency's programs are funded primarily by contracts with the State of Connecticut, local public school systems, as well as support from the general public through contributions and fundraising.

The Agency merged into another non-profit organization as of July 1, 2019. See Note 16 for more information.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation – The financial statements of The Arc of Quinebaug Valley, Inc. have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. See Note 11 for additional information.

The Agency reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire in the same reporting period in which the revenue is recognized. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are placed in service.

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

Cash and Cash Equivalents – For purposes of the statements of cash flows, The Arc of Quinebaug Valley, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, with the exception of cash included in endowment funds.

Accounts Receivable – Receivables are stated at unpaid balances, less an allowance for doubtful accounts when appropriate. Allowances for accounts receivable are determined by management based on an assessment of their collectability. Receivables are written off only when management believes amounts will not be collected. The allowance for doubtful account was \$-0- and \$15,000 for the years ending June 30, 2019 and 2018, respectively.

Promises to Give – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at the present value of their estimated cash flows, using a risk-adjusted discount rate of return appropriate for the expected term of the promise to give. Amortization of the discounts is included in contribution revenue.

Inventory – Inventory is stated at the lower of cost or fair market value at the date of donation. The Agency's inventory consists of goods held for sale at the thrift shop.

Property and Equipment – The Agency capitalizes all expenditures for property and equipment in excess of \$5,000 (or \$2,500 for property and equipment associated with the Agency's community living arrangements as per State guidelines). Property and equipment is stated at cost at the date of purchase or fair value at the date of donation. Depreciation expense is recorded using the straight-line method over the estimated useful lives of the assets, which range from three to 30 years.

Expenditures for repairs and maintenance are generally charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of activities.

The Agency reviews long-lived assets for impairment using an undiscounted cash flow method whenever events or circumstances indicate the carrying value of an asset may not be recoverable. There were no impairment losses related to long-lived assets as of June 30, 2019 and 2018.

Compensated Absences – The Agency has a policy that enables employees to accumulate paid time off and carry it forward to the next fiscal year. An accrual for these benefits is included in "Accrued payroll and related liabilities" on the statements of financial position.

Revenue and Revenue Recognition – Revenue is recognized when earned. Program service fees and payments under certain contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give is pledged or received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

Governmental grants and contracts are generally considered to be exchange transactions rather than contributions. Revenue from cost-reimbursement grants and contracts is recognized to the extent of costs incurred. Revenue from performance-based grants and contracts is recognized to the extent of performance achieved. Grant and contract receipts in excess of revenue recognized are presented as deferred revenue if the grant extends beyond the Agency's fiscal year and as due to the grantor if the grant was completed within the fiscal year.

The Agency records donated materials and services as contributions based upon their estimated fair market value at the date of donation. Donated services are recognized if the services create or enhance non-financial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased if not provided by donation. General volunteer services do not meet the criteria for recognition and accordingly, no amounts have been reflected for these services. See Note 12 for additional information.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the organization to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – The Agency is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Agency recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management believes that the Agency has no tax positions that would require financial statement recognition or disclosure. The Agency's informational returns for fiscal years ending June 30, 2016 and after are subject to examination by the Internal Revenue Service and the State of Connecticut, generally for three years from the date they were filed.

Fundraising and Donations – This line item is shown net of the costs of direct benefits to donors in the amounts of \$30,877 for 2019 and \$6,149 for 2018.

Advertising – The Agency expenses advertising costs as incurred. For the years ended June 30, 2019 and 2018, advertising expenses totaled \$126 and \$1,070, respectively.

Expense Allocations – The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. While directly identifiable expenses are charged to the specific programs and supporting services for which they were incurred, certain costs have been allocated among the programs and supporting services benefited. Those expenses that are allocated include occupancy-related expenses, which are allocated on a square footage basis, as well as certain salaries and wages, benefits, payroll taxes, which are allocated on the basis of estimates of time and effort. Management and general expenses include those expenses that are not directly identifiable with any specific function, but provide for the overall support and direction of the organization.

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

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

Adoption of Accounting Principal – In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities, which became effective in the current fiscal year. Among the major relevant changes for the organization includes requiring the presentation of only two classes of net assets (with and without donor restrictions) from three classes (unrestricted, temporarily restricted, and permanently restricted), requiring the placed in service approach to recognize releases of restricted gifts of long-lived assets or gifts of cash restricted for the acquisition of long-lived assets, and requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources.

Certain provisions of the ASU are required to be adopted retrospectively, which has resulted in restatement of the prior period financial statements as more fully explained in Note 17. In addition, net assets that were previously reported as unrestricted are now reported as net assets without donor restrictions and net assets that were previously reported as temporarily and permanently restricted have now been combined into net assets with donor restrictions.

Subsequent Events – Subsequent events were evaluated through January 21, 2020, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and Availability

The Arc of Quinebaug Valley, Inc. has \$1,284,544 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents and accounts receivable. None of these financial assets is subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The Arc of Quinebaug Valley, Inc. has a policy to structure its financial assets available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, The Arc of Quinebaug Valley, Inc. invests cash in excess of daily requirements in various short-term investments, including money market accounts.

Note 4 – Concentrations

Credit Risk – The Agency maintains its cash deposits with the local financial institutions, which may at times exceed the limits insured by the Federal Deposit Insurance Corporation.

Funding Sources – The Agency receives funding from several state agencies, including the Department of Developmental Services (DDS). Revenue earned from DDS amounted to \$4,538,888 and \$4,067,204 for the years ending June 30, 2019 and 2018, respectively. This represents approximately 80% and 77% of total revenue and support for 2019 and 2018, respectively. As with all government funding, these

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

grants and contracts are subject to reduction or termination in future years. Any significant reduction in these grants and contracts could have an adverse effect on the Agency's program services.

In addition, a significant portion of accounts receivable as of June 30, 2019 and 2018 is also due from the State of Connecticut. DDS receivables totaled \$394,372 and \$84,852 as of June 30, 2019 and 2018, respectively. For 2019 and 2018, the receivable from DDS was net of an advance of \$-0- and \$347,414, respectively.

Note 5 – Funds Held for Others

The Agency entered into an agreement with an unrelated third-party to act as a fiscal sponsor. The funds are being raised for the construction of a playground that includes equipment allowing the inclusion of children with significant disabilities. The funds will ultimately be turned over to the Town of Plainfield for the construction of the playground. The amount is recorded as both an asset and a liability.

Note 6 – Property and Equipment

Property and equipment is comprised of the following at June 30:

	<u>2019</u>	<u>2018</u>
Land and land improvements	\$ 362,405	\$ 327,942
Buildings and building improvements	2,216,096	2,134,630
Furniture, fixtures and equipment	110,843	84,966
Vehicles	<u>1,001,715</u>	<u>1,041,136</u>
Total, at cost	3,691,059	3,588,674
Less: accumulated depreciation	<u>(1,424,414)</u>	<u>(1,236,504)</u>
Total property and equipment - net	<u>\$ 2,266,645</u>	<u>\$ 2,352,170</u>

The Agency has received several grants from the State of Connecticut Department of Transportation toward the purchase of vehicles. The State holds the title to these vehicles until the earlier of the end of the useful life or a certain mileage is reached; however, the Agency has capitalized the vehicles since it is probable that title will pass to them at the end of the specified time period. Also see Note 15.

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

Note 7 – Endowment Funds

The Agency's endowment fund is comprised of donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law – The Agency has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act (CTUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. As a result of this interpretation, the organization will retain in perpetuity (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted endowment funds that are not retained in perpetuity are retained in net assets with donor restrictions until they are subject to appropriation for expenditure by the organization in a manner consistent with the standard of prudence prescribed by CTUPMIFA. In accordance with that standard, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the organization, and (7) the organization's investment policies.

Endowment net asset composition by type of fund is as follows:

	<u>With Donor Restrictions</u>	<u>Total</u>
<u>June 30, 2019</u>		
Donor-restricted endowment funds:		
Original donor-restricted gift amounts required to be maintained in perpetuity by donor	\$ 4,300	\$ 4,300
Accumulated interest	12	12
Total	<u>\$ 4,312</u>	<u>\$ 4,312</u>

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

	<u>With Donor Restrictions</u>	<u>Total</u>
<u>June 30, 2018</u>		
Donor-restricted endowment funds:		
Original donor-restricted gift amounts required to be maintained in perpetuity by donor	\$ 4,300	\$ 4,300
Accumulated interest	<u>10</u>	<u>10</u>
Total	<u>\$ 4,310</u>	<u>\$ 4,310</u>

Funds with Deficiencies – From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or CTUPMIFA requires the organization to retain in perpetuity. These deficiencies could result from unfavorable market fluctuations. Any such deficiencies would be reported as decreases in net assets with donor restrictions and subsequent gains that restore the deficiencies would be reported as increases in net assets with donor restrictions. There were no deficiencies of this nature as of June 30, 2019 and 2018.

Investment Policy – The Agency currently maintains its endowment funds in an interest-bearing savings account at a bank.

Spending Policy – Currently, earnings are being left to accumulate.

Changes in endowment net assets as of June 30, 2019 are as follows:

	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, beginning of year	\$ 4,310	\$ 4,310
Interest income	<u>2</u>	<u>2</u>
Balance, end of year	<u>\$ 4,312</u>	<u>\$ 4,312</u>

Changes in endowment net assets as of June 30, 2018 are as follows:

	<u>With Donor Restrictions</u>	<u>Total</u>
Balance, beginning of year	\$ 4,908	\$ 4,908
Loss on uncollectible pledge	(600)	(600)
Interest income	<u>2</u>	<u>2</u>
Balance, end of year	<u>\$ 4,310</u>	<u>\$ 4,310</u>

**The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018**

Note 8 – Line of Credit

The Arc of Quinebaug Valley, Inc. had available to it a \$125,000 line of credit from a bank at an interest rate of prime (per Wall Street Journal) plus 1%. The line of credit was secured by a second mortgage on the property located on 687 Cook Hill Road, Danielson, CT. As of June 30, 2019 and 2018, the balance outstanding on this note was \$-0- and \$22,926, respectively. As of June 30, 2019, the line of credit has been closed.

Note 9 – Notes Payable

The Agency is obligated for the following notes:

	<u>2019</u>	<u>2018</u>
Notes payable in total monthly installments of \$4,584 including interest ranging from 0% to 4.99% per annum due at various dates through August 2021 and secured by motor vehicles.	\$ 43,041	\$ 67,256
Mortgage note payable to Jewett City Savings Bank, in monthly installments of \$1,315 including interest at 4.50% per annum through 2033 and collateralized by all property and equipment at Cook Hill Road, Danielson, CT.	166,752	174,826
Mortgage note payable to Putnam Bank, in monthly installments of \$1,412 including interest at 4.90% per annum through 2035 and collateralized by the real property located at 193 Mechanic Street, Killingly, CT.	189,980	197,280
Mortgage note payable to Putnam Bank, in monthly installments of \$1,717 including interest at 3.875% per annum (through May 2022) through 2037 and collateralized by the real property located at 22 Route 171, Woodstock, CT.	264,637	273,798
Mortgage note payable to Jewett City Savings Bank, in monthly installments of \$866 including interest at 4.50% per annum through 2038 and collateralized by the real property located at Tamarack Circle, Dayville, CT.	132,386	136,716

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

Mortgage note payable to the State of Connecticut in monthly installments of \$752 including interest at 6% through 2039 collateralized by all property and equipment located at Tamarack Circle, Dayville, CT.

104,769 107,422

Mortgage note payable to CHFA in monthly installments of \$3,538 bearing interest at 3.00% per annum through January 2047. The monthly payment also includes a required contribution of \$584 to a repair and replacement reserve account. The mortgage is secured by the group home located in Danielson, CT.

664,617 679,881

Total

1,566,182 1,637,179

Less: current portion

(74,767) (72,195)

Notes payable - net of current portion

\$ 1,491,415 \$ 1,564,984

The following is a schedule of maturing principal payments payable over the next five years and thereafter at June 30:

2020	\$	74,767
2021		68,893
2022		55,786
2023		56,493
2024		58,829
Thereafter		<u>1,251,414</u>
Total	\$	<u>1,566,182</u>

Note 10 – Refundable Advances

The Agency has received a refundable advance from the Connecticut Department of Developmental Services (DDS) related to the opening of its community living arrangements (CLA). These funds were used to fund the first month of operations of the home. Should the Agency stop providing CLA services in this home or no longer contract with the State (see Note 16), the amount advanced for the home would be applied to the final month's reimbursement for the home. As of June 30, 2019 and 2018, the value of these advances was \$-0- and \$82,086, respectively.

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

Note 11 – Net Assets with Donor Restrictions

Net assets with donor restrictions and changes therein was as follows:

	Balance June 30, 2018	Additions / Gain (Loss)	Releases	Balance June 30, 2019
Purpose restricted:				
Capital campaign	\$ 4,763	(950)	(3,813)	\$ -
Sensory garden	\$ 29,806	-	(29,806)	\$ -
Group home residents	\$ -	3,125	-	\$ 3,125
Time restricted:				
DOT vehicle grants	\$ 45,663	-	(21,078)	\$ 24,585
Endowment funds:				
Subject to spending policy and appropriation:				
General use	\$ 10	2	-	\$ 12
Not subject to appropriation	\$ 4,300	-	-	\$ 4,300
Total	<u>\$ 84,542</u>	<u>\$ 2,177</u>	<u>\$ (54,697)</u>	<u>\$ 32,022</u>

	(As Restated)			
	Balance June 30, 2017	Additions / Gain (Loss)	Releases	Balance June 30, 2018
Purpose restricted:				
Capital campaign	\$ 4,763	-	-	\$ 4,763
Sensory garden	\$ 5,000	24,806	-	\$ 29,806
Other grants	\$ 2,100	-	(2,100)	\$ -
Time restricted:				
DOT vehicle grants	\$ 66,741	-	(21,078)	\$ 45,663
Endowment funds:				
Subject to spending policy and appropriation:				
General use	\$ 8	2	-	\$ 10
Not subject to appropriation	\$ 4,900	(600)	-	\$ 4,300
Total	<u>\$ 83,512</u>	<u>\$ 24,208</u>	<u>\$ (23,178)</u>	<u>\$ 84,542</u>

Releases of net assets are the result of satisfying the restriction by incurring expenses satisfying the restricted purposes or by the occurrence of the passage of time or other events specified by donors.

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

Note 12 – In-Kind Donations

For the year ended June 30, 2019, the Agency received \$11,315 in donated prizes for its fundraising events. The amount is reflected as part of "fundraising, donations, and grants (net)" revenue and fundraising and development expenses on the statement of activities.

Also, starting in May 2019, the Agency began operating a group home (CLA) formerly run by the State of CT. The State still owns the property and charges the \$1 a year in rent. In accordance with generally accepted accounting principles, the economic benefit of the use of these properties has been recorded on the financial statements as both a contribution and an offsetting "rent" expense. The value recognized for the use of this property, based on estimated market values, was \$2,107 for the year ending June 30, 2019.

Note 13 – Retirement Plan and Other Benefits

The Agency has established a 401(k) retirement plan for the benefit of its employees. The plan is a voluntary salary reduction agreement that allows employees to set aside a portion of their salaries for retirement savings. Under terms of the plan, the Agency matches 50% of employee contributions on up to four percent of the participant's wages after one year of employment. The total pension expense incurred by the Agency's for the years ending June 30, 2019 and 2018 was \$20,785 and \$18,578, respectively.

The Agency has also established a Section 125 Cafeteria Plan which allows employees to pay for a portion of their medical insurance premiums on a pre-tax basis by way of voluntary salary reductions.

Note 14 – Operating Leases

The Agency leases various equipment for use in its operations and programs under both monthly leases and non-cancelable leases expiring in various years through 2023. These leases are treated as operating leases for financial reporting purposes. Expense under these lease agreements was \$27,117 and \$26,281 for the years ended June 30, 2019 and 2018, respectively.

Future minimum lease payments under non-cancelable operating leases that have remaining terms in excess of one year as of June 30, 2019 are as follows:

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

2020	\$	24,416
2021		16,416
2022		5,965
2023		541
2024		135
Total	\$	<u>47,473</u>

Note 15 – Commitments and Contingencies

The Agency has received government grants for specific purposes that are subject to review, audit and adjustment by grantor agencies. Such audits could lead to requests for reimbursement to such agencies for any expenditures or claims disallowed under the terms of the agreements. Management believes such disallowances, if any, will not be material to the financial statements.

The Agency has received several grant awards from the State of Connecticut Office of Policy and Management for facility improvements and equipment and vehicle purchases. As a condition of the grants, the Agency is required to continue to use equipment and vehicle purchases for a period of five years from the receipt of the funds and an improved facility for a period of ten years. If it fails to do so, it would be obligated to return the funds to the grantor on a pro-rata basis that declines at twenty percent per year for equipment and vehicle purchases and ten percent per year for facility improvements. The Agency has received the following grant funds subject to these provisions: \$47,856 for facility improvements (paving) and \$52,675 for equipment purchases during the year ending June 30, 2019 and \$312,533 for vehicle purchases made during the fiscal year ending June 30, 2017. The Agency has not recorded a contingency related to these provisions, since it considered it likely that they will be satisfied.

Note 16 – Other Matters

In December 2018, the Board of Directors of the Agency voted to accept a merger agreement with The Arc New London County, Inc. (now The Arc Eastern Connecticut, Inc.), another non-profit organization. Effective July 1, 2019, the Agency merged into The Arc ECT. During the year ending June 30, 2019, the Boards began operating jointly and the Agency paid \$136,535 in management fees to Arc ECT for administrative services. As of June 30, 2019, the Agency owed \$70,824 to the Arc ECT for management fees and other reimbursable expenses incurred by The Arc ECT on the Agency's behalf, which is included with "accounts payable and accrued expenses" on the statement of financial position.

The Arc of Quinebaug Valley, Inc.
Notes to Financial Statements
June 30, 2019 and 2018

Note 17 – Restatement of Prior Year for Adoption of Accounting Standard

As noted in Note 2, FASB ASU 2016-14 took effect during the Agency's fiscal year. It requires a retrospective adoption approach, which has resulted in a restatement of prior year's financial statements. The ASU eliminated the accounting policy option for implying a time restriction to gifts of long-lived assets and gifts of cash or other assets to be used to acquire long-lived assets that would allow for the restricted amounts to be released ratably over the useful life of the related asset, thus allowing for a match between the expense and revenue. The Agency had previously used this approach. It is now required to use the placed-in-service approach, which requires such amounts to be released from restriction when the asset is placed in service. As a result of applying this principle retroactively, the following captions on the 2018 financial statements have been restated as follows:

	<u>Originally Reported</u>	<u>Restatement</u>	<u>As Restated</u>
Net assets released from restrictions	\$ 110,931	\$ (87,753)	\$ 23,178
Net assets without donor restrictions	\$ 1,166,696	\$ 467,133	\$ 1,633,829
Net assets with donor restrictions	\$ 551,675	\$ (467,133)	\$ 84,542

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Place
Stamp
Here

The Arc Eastern Connecticut
125 Sachem Street
Norwich, CT 06360

Achieve with us.®

IN
**PARTNERSHIP
FOR FULL
EQUALITY**

since 1952


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Eastern Connecticut
125 Sachem Street
Norwich, CT 06360

TheArcECT.org
    

ESSENTIAL



TheArcECT.org

20

Annual Appeal

21

The Arc
Eastern Connecticut



**Independence.
Personal Growth.
Self-Advocacy.**



Who We Are


The Arc.
Eastern Connecticut

The Arc Eastern Connecticut—formerly The Arc Quinebaug Valley and The Arc New London County—has served the communities of northeastern and south-eastern Connecticut since 1952.

Two groups of parents, concerned that their children with intellectual and developmental disabilities were being denied educational opportunities, met in their homes to plan a strategy, sparking a social and civil rights movement in the state.

Today, The Arc Eastern Connecticut supports more than 900 people with IDD and their families yearly. We help people find homes, prepare for competitive employment with area businesses, and independently and actively engage in their communities.

Our dedicated Board of Directors and our caring and professional staff have provided us with the ability to build programming and employee training modules in ways that greatly reinforce the mission and vision of our founding families who established both The Arc NLC and The Arc QV over six decades ago.

Did you know . . .

There are an estimated **2.5 million people** in the United States with an intellectual or developmental disability.

The Arc Eastern Connecticut supports over 175 people in its employment programs who work an average of 15 hours per week at minimum wage or higher.

Our micro-enterprises include a redemption center, consignment stores, a farm stand, landscaping and cleaning services, and a bakery with cookies in over 16 stores region-wide.

The Arc ECT operates 74 vehicles that drive over 1,400,000 miles per year, providing door-to-door transportation for people participating in day programs and community activities.

IN
**PARTNERSHIP
FOR FULL
EQUALITY** 
The Arc
Eastern Connecticut


The Arc.
Eastern Connecticut

**MY SCHOOL.
MY HOME.
MY JOB.
MY CHOICE.**



*A multi-service family agency
in partnership for full equality*

Find Out More

Call 860.889.4435
TheArcECT.org

125 Sachem Street
Norwich, CT 06360
T: 860.889.4435
E: info@thearcect.org

TheArcECT.org

Achieve with us.®

What We Can Do

EMPLOYMENT TRAINING

Six thriving micro-enterprises provide training and preparation for competitive employment with area businesses.

DAY PROGRAMS

Our day programs in Norwich, Groton and Danielson offer a variety of volunteer opportunities, health/fitness activities, and community and life-enrichment programs for adults including Seniors.

SCHOOL-TO-WORK TRANSITION

This program helps young adults navigate the often confusing path to life and work after graduation.

SUPPORTED HOUSING

Creative living options throughout eastern Connecticut support personal choice and maximum independence.

COMMUNITY LIFE & ADVOCACY

This unique program offers empowerment and self-advocacy groups, Special Olympics, social networking, and civic participation activities.

IN-HOME SUPPORTS

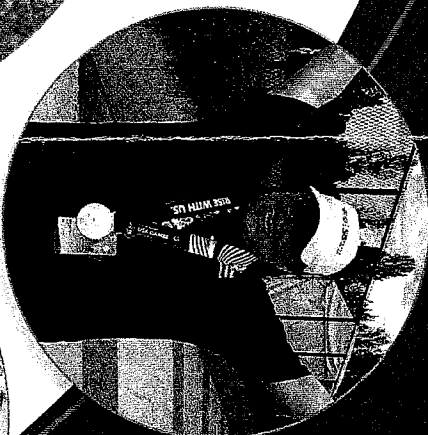
Personal, family-centered services are offered in both the home and the community.

COMMUNITY COMPANION HOMES

The CCH program helps people with IDD live as independently as possible with families in their communities.

Our Mission

To partner with people living with intellectual and developmental disabilities for **EQUAL participation and inclusion** in the communities of eastern Connecticut.



Contacts

Norwich Offices

125 Sachem St., Norwich, CT 06360
(860) 889-4435

Employment Transition Center, Groton

52 Sacred Heart Drive, Groton, CT 06340
(860) 449-1529

Danielson Offices

687 Cook Hill Rd., Danielson, CT 06239
(860) 774-2827

The Arc Encourages

- ✓ CHOICE
- ✓ VOLUNTEERISM
- ✓ INDEPENDENCE
- ✓ SELF-EXPRESSION
- ✓ COMMUNITY INVOLVEMENT

Achieve with us.

SPECIAL THANKS TO OUR COMMUNITY PARTNERS

Although we had to cancel important fundraisers this year due to safety concerns, many organizations and businesses generously allowed us to retain their committed sponsorships to help offset costs of working through the pandemic. We owe them an incredible debt of gratitude.

2019/2020

AGENCY HIGHLIGHTS

Linda Rhodes

President

Diane Aubin

Vice President

Ray Baribeault

Secretary

Gene Michael Deary

Treasurer

Enrico DeMatto

Immediate Past President

DIRECTORS

Shannon Aiello

Paul Formica

Alan Messier

Emily Morrison

Jeffrey Rawson

Abby Snyder

Mary Ellen Snyder

Michele Scott

Board of Directors

Senior Leadership

Kathleen Stauffer

Chief Executive Officer

Laurie Herring

Chief Operations

& Quality Officer

Terrence Hickey

Chief Financial Officer

Elizabeth Korineck

Chief Talent Officer

Andrea Kaiser

Chief Development Officer

Annemarie Bellenoit

Chief Administrator

Scott Kadey

Chief Information Officer

The Arc[®] Eastern Connecticut

Prepared for the Virtual Annual Meeting
June 09, 2020



IN **PARTNERSHIP
FOR FULL
EQUALITY**

TheArcECT.org

CENTRAL OFFICES

125 Sachem Street, Norwich, CT 06360

T: 860.889.4435

NORTHEAST MAIN OFFICES

687 Cook Hill Road, Danielson, CT 06239

T: 860.774.2827

Dear Friends, Colleagues, and Community Partners,

So far, 2020 has challenged us to surmount innumerable firsts. Here at The Arc ECT, we've pivoted from traditional, location-based to virtual supports in all but our residential service platform. The COVID-19 pandemic means developing new and creative programming and supports to people with IDD and their families. It requires keeping abreast of policies and protocols that change daily, making sure our team members have the tools to perform their jobs safely, and preparing for the return to the normal face-to-face world that we all miss very much.

This has been our first full year as The Arc Eastern Connecticut! The dedication and commitment of Board and team members who have cooperated to seamlessly combine programming and services to ensure the stability of our mission during the pandemic is heartwarming and inspiring. We couldn't have succeeded without our families and caregivers. Following are a few of the year's highlights . . . with many more to be listed in our 2020 Annual Report.

Yours In Partnership for Full Equality,

Kathleen Stauffer
Chief Executive Officer



The Arc
Eastern Connecticut

125 Sachem Street
TheArcECT.org

Achieve with us.

OUR FIRST FULL YEAR AS The Arc Eastern Connecticut!

WORKING AS A UNIFIED TEAM, WE WERE ABLE TO

- ★ Strengthen our Service Models: residential, day, employment, community involvement.
- ★ Expand Residential Services: We now oversee 22 residences throughout eastern CT.
- ★ Plan for Program Expansion in the northeast and southeast.

OUR RESPONSE TO THE COVID-19 PANDEMIC

- ★ PIVOT: We relocated programming for all our participants.
- ★ TECH SUPPORTS: The Arc ECT connected families, team members and program supports through innovative technologies.
- ★ HEALTH & SAFETY: Sufficient agency PPE was acquired through exhaustive global searches.
- ★ RISK MITIGATION: Food and supplies were delivered to each residence, greatly reducing risks to team members and residents.
- ★ COMMUNICATION: The Arc ECT created podcasts, weekly COVID-19 updates, community resource lists, and Activities 4U — virtual adventures activity links and prompts for the eastern Connecticut community.

OUTREACH HIGHLIGHTS

- ★ ADVOCACY: We worked with legislators to advance recycling legislation and safeguard our human services safety net.
- ★ OUTREACH: The Arc CEO gave presentations on mergers nationally and on local media.
- ★ MICRO-ENTERPRISES: Through increased cookie sales, we expanded our cookie micro-enterprise.
- ★ MEDIA: The Arc ECT CEO wrote monthly columns for *The Bulletin* on disability-related topics, highlighting the people we support, staff, and community partners.

PLANNING FOR THE FUTURE

- ★ THE ARC ECT: We celebrated the January 2019 announcement of our merger with an agency-wide Anniversary Party in January 2020.
- ★ TEAM BUILDING: Combined Board and Staff retreats and plenary sessions earlier in the fiscal year resulted in a comprehensive Strategic Planning document that emphasized Person-Centered Supports.

Welcome!

The Community Life & Advocacy program at The Arc Eastern Connecticut provides opportunities for people with intellectual and developmental disabilities to independently and actively engage in the community in ways that serve personal choices and goals and demonstrate the measurable contributions to the community that each one of us is capable of making.

- ❑ Learn teamwork
- ❑ Learn about local culture
- ❑ Practice your new social skills
- ❑ Get lots of exercise
- ❑ Order in restaurants
- ❑ Improve your budgeting skills
- ❑ Support events that are raising money for causes
- ❑ Find out what's going on in YOUR community!

The Arc Eastern Connecticut's **mission** is to partner with people living with intellectual and developmental disability for **EQUAL participation and inclusion** in the communities of Southeastern Connecticut. We offer a variety of residential, employment training, personal enrichment, and health/fitness programs, and **serve over 800 people and their families yearly.**

IN PARTNERSHIP FOR FULL EQUALITY



Did you know . . .

There are an estimated **6.5 million people** in the United States with an intellectual or developmental disability.

The Arc Eastern Connecticut supports 108 adults in its employment program who **work an average of 15 hours per week** at an average pay of \$11.00 per hour. The Arc ECT **always** pays minimum wage or higher.

The Arc ECT's **Community Life & Advocacy program offers over 250 life-enhancing activities** throughout Southeastern Connecticut each year.

The Arc ECT operates 80 vehicles which drive over 1 million miles per year, **providing door-to-door transportation** for people participating in day programs and community activities.

Main Offices:
125 Sachem Street
Norwich, CT 06360
860.889.4435

Northeast Offices:
687 Cook Hill Rd.
Danielson, CT 06285
860.774.2827



COMMUNITY LIFE & ADVOCACY

Health & Fitness

Community Involvement

Social and Personal Enrichment



Achieve with us.®



info@thearcct.org
TheArcECT.org

Discover The Arc Eastern Connecticut . . . In Partnership for Full Equality

Discover the Empowerment/Enrichment Component

Part of CL&A's activities include six Empowerment/Enrichment groups, which introduce participants to the concept of viewing themselves as part of a broader community in which they have a voice, an interest, and a right of inclusion.

VOICES is a group for women-at-risk of sexual, physical and/or emotional abuse and exploitation. Participants focus on their own healing in order to move forward, realize their goals, and lead independent lives.

ELEMENTS OF ELLEN is a series of workshops designed to advance self-presentation skills and enhance self-esteem.

SELF-ADVOCACY GROUPS in both Norwich and Danielson are chapters of the statewide organization People First. Members identify challenges, organize activities, and advocate for themselves at the local and state level.

SPARCS (Student Peer Advocates Raising Community Support), a youth advocacy project for those age 16-23, addresses the often difficult transition to life away from a school setting. It focuses on employment, housing, social engagement and civic responsibility.

In the **VOLUNTEER CORPS**, participants are exposed to the importance of civic responsibility and increased social interaction. Last year the Corps completed 16 projects, totaling 528 hours of service to the community.

CULTURE QUEST broadens participants' awareness of history, art and culture in the region and beyond.



Discover Co...munity Life & Advocacy

The Community Life & Advocacy (CL&A) program is unique in eastern Connecticut. We offer a wide range of activities that include outings, dances, leisure activities, and our own Special Olympics contingent!

Choose from our many **social, fitness, or support/enrichment activities**, held at The Arc ECT's Norwich location or offsite at various locations.

- Computer classes
- Training for a 5k race
- Films at local libraries
- Bingo
- Bowling
- Concerts
- Holiday parties
- Snow tubing
- Parades and musters
- Picnics at Camp Harkness
- Outdoor festivals and fairs
- Scrapbooking
- Museum trips
- Dining out
- Volunteer activities

Transportation: CL&A is one of the only programs that provides door to door transportation for a small fee to its participants. Transportation fees are just \$4.00 each way.

All activities are supported by our caring and well-trained staff and drivers.

Signing up is easy!

Contact CL&A at (860) 889-4435, x 108. All participants fill out an Intake form so we can find out the activities that interest you and determine how best to support you during our activities.

Participants receive a monthly calendar of events and a signup sheet and can sign up for as many activities as they wish.

The goal of CL&A is to provide **fun and safe activities for everyone who attends**; we always maintain an appropriate participant-to-staff ratio.

Program Costs: Program fees are \$2.00 per program hour for each activity. These fees are reduced to \$1 per program hour for anyone who attends with their own staff supports. Participants also pay the cost of admission to events and activities, as well as the cost of their meals.





The Arc.

Eastern Connecticut



Central Offices

125 Sachem Street, Norwich, CT 06360 / T: 860.889.4435

Northeast Administrative Offices

687 Cook Hill Road, Danielson, CT 06239 / T: 860.774.2821

Northeast Day Services

193 Mechanic Street, Danielson, CT 06239 / T: 860.779.2362

Employment Transition Center

52 Sacred Heart Drive, Groton, CT 06340 / T: 860.449.1529

The Arc Emporium & Redemption Center

22 Route 171, Woodstock, CT 06281 / T: 860.928.4727

TheArcCT.org

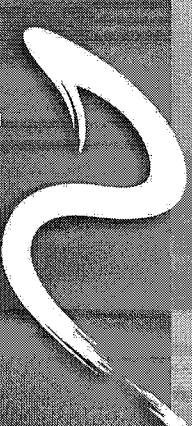


**IN PARTNERSHIP
FOR FULL
EQUALITY**



July 1, 2019 — June 30, 2020

2020
ANNUAL
REPORT



The Arc
Eastern Connecticut

Our Mission

To partner with people living with intellectual and developmental disability for **EQUAL** participation and inclusion in the communities of eastern Connecticut.

Our Vision

The Arc Eastern Connecticut will be eastern Connecticut's leader in partnering and advocating for equality of opportunity and equality of choice.

IN PARTNERSHIP FOR FULL EQUALITY

Dear Friends, Colleagues, and Community Partners,

This year has challenged all of us to embrace innumerable firsts. Here at The Arc Eastern Connecticut, we **pivoted in the Spring from traditional, location-based services to virtual supports** in all but our residential platform. The COVID-19 pandemic has meant developing **new and creative ways of providing programming and supports to people with IDD and their families**. It has required keeping abreast of policies and protocols that change daily, making sure our team members have the tools they need to perform their jobs safely, and preparing for the eventual (and safely gradual) return to the normal face-to-face world that we all miss very much.

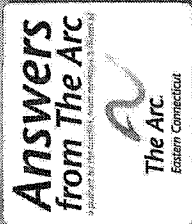
This has been our first full year as The Arc Eastern Connecticut!

The dedication and commitment of Board and team members, who have seamlessly cooperated and combined programming and services of The Arc Quinebaug Valley and The Arc New London County **to ensure the stability of our mission and augment the quality of the services** we provide, has been heartwarming and inspiring. We could not have succeeded without the support of our families, caregivers, and tenacious community partners, especially during these past few months.

This year's Annual Report salutes our "Connection to Community." It **highlights our biggest accomplishments and provides a blueprint for what we hope to achieve** in the coming year. I believe you will find it informative and engaging.

Yours In Partnership for Full Equality,

Kathleen Stauffer
Chief Executive Officer



TheArcECT.org/answers



OUR OPERATING PRINCIPLES →

Executive Team

Kathleen Stauffer
Chief Executive Officer

Laurie Herring
Chief Operations and Quality Officer

Terrence Hickey
Chief Financial Officer

Scott Kadey
Chief Information Officer

Andrea Kaiser
Chief Development Officer

Elizabeth Korineck
Chief Talent Officer

Annemarie Bellenoit
Chief Administrator

Deputies

Betty-Jo Davis
Deputy Chief Quality Assurance Officer
— Residential Services

Pat Grygorcewicz
Deputy Chief Quality Assurance Officer
— Individual Services

Valerie Malone
Deputy Chief Quality Assurance Officer
— Support Services

Jennell Ricard
Deputy Chief Quality Assurance Officer
— Day Services

Directors

Alex Cabezas
Director of Residential Services Southwest

Joann Cirrito
Director of Day Services Southeast

Joseph and Kathleen Cote
Directors of Camp

Jason Fletcher
Director of Residential Services Northeast

Yvette Horton
Director of Individual Services

Susan James
Director of Day Services Northeast

Bonnie Jones
Director of Employment Services Southeast

Paula Kowalski
Director of Senior Retirement

Rachel Merrill
Finance Manager

Penny Newbury
Director of Grants & Communications

Jennifer Ricci
Director of Community Enterprise

Crystal Simonson
Director of Development

Denise Tift
Director of Community Outreach

Leadership: We model choice in everything we do.

2020

Board of Directors

Linda Rhodes, *President*
 Diane Aubin, *Vice President*
 Ray Baribeault, *Secretary*
 Gene Michael Deary, *Treasurer*
 Enrico DeMatto, *Immediate Past President*

Directors

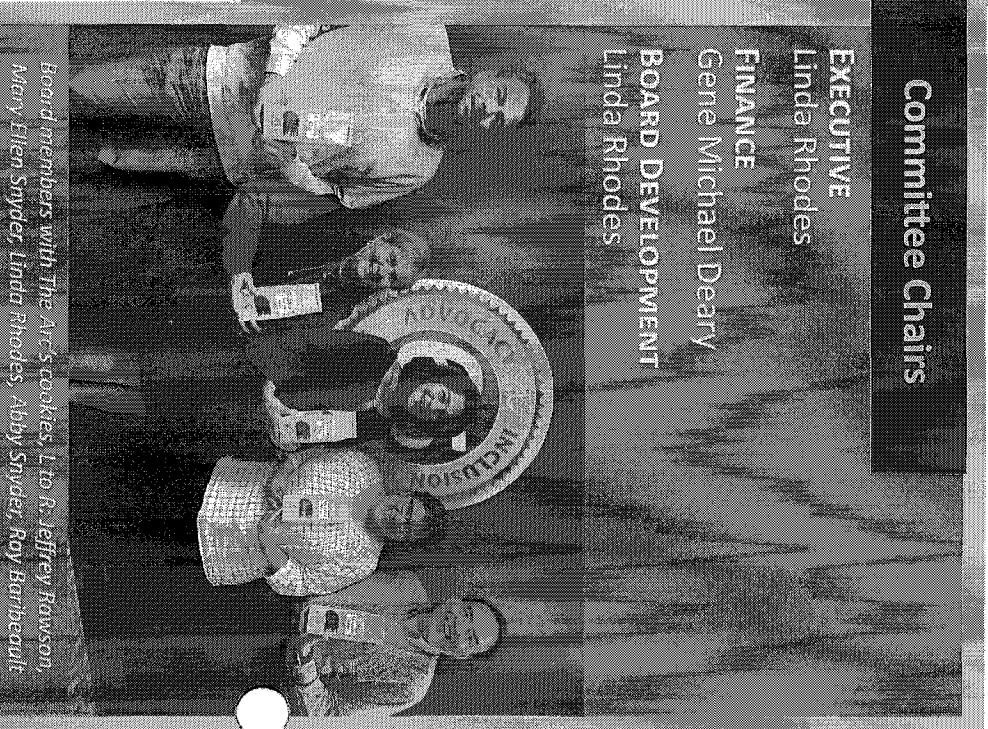
Shannon Aiello
 Pamela Brown
 Paul Formica
 Emily Morrison
 Jeffrey Rawson
 Michele Scott
 Abby Snyder
 Mary Ellen Snyder

Committee Chairs

EXECUTIVE
 Linda Rhodes

FINANCE
 Gene Michael Deary

BOARD DEVELOPMENT
 Linda Rhodes



Board members with The Arc's cookies. L to R: Jeffrey Rawson, Mary Ellen Snyder, Linda Rhodes, Abby Snyder, Ray Baribeault

As a business owner who has hired people with IDD, I understand firsthand the importance of both providing people with IDD the opportunity to be completely integrated in their communities and showcasing their enormous contributions to the workforce. Our advocacy as Board members is vital.

—Jeffrey Rawson
 Board Member

OPERATING PRINCIPLES →

Our Impact

A snapshot of The Arc Eastern Connecticut

\$20.9 million

Total agency budget

764 people served

throughout eastern Connecticut

- 102** People and **380** family members supported in their own homes
- 93** People living in **22** residential homes
- 97** People supported in employment programs
- 101** People supported in day programs
- 21** People supported in pre-vocational, school, and transitional employment programs
- 161** People participating with Community Life & Advocacy
- 189** Campers attending Camp Harkness

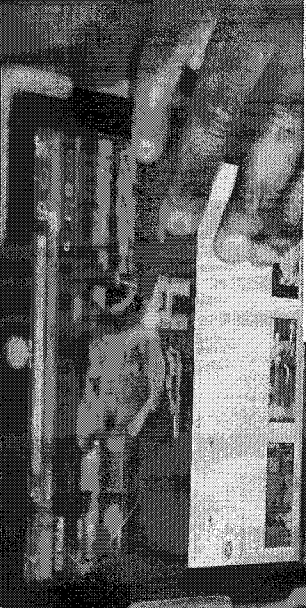
Volunteering & Fundraising

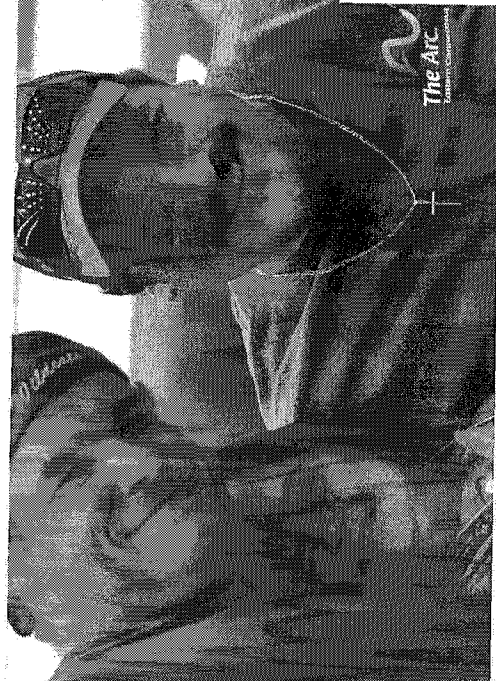
- 2,266** Volunteer Corps hours donated to the community
- \$24,926** Donated services through volunteering
- 36%** of Community Life & Advocacy participants volunteered at least 3 times last year
- \$181,758** raised through fundraisers and campaigns
- \$275,345** raised through grants

Civil Rights: We partner with people living with disability to promote their voice and champion their perspective.

459 TEAM MEMBERS

72% ♀
28% ♂
181 Full-Time
278 Part-Time





Teamwork

The Arc Quinebaug Valley and The Arc New London County combined experience, partnerships, and our intimate knowledge of the areas we both serve to yield a host of benefits:

- ❖ **Stronger service models:** residential, day, employment, community involvement
- ❖ **Expanded Residential services:** we now support 22 residences and a Community Companion Home (CCH) program.
- ❖ **20% increase in United Way team member campaign donations,** thanks to our generous team.
- ❖ **A complete Strategic Planning document** emphasizing Person-Centered services, Community Engagement, Community Partnerships, Diversity, and Inclusion—the result of combined Board and Team retreats, leadership meetings, and plenary sessions.

United Way is honored to partner with great organizations like The Arc Eastern Connecticut—they are trustworthy, effective, and most importantly, provide caring support for those in our community who need it.

—Dina Sears-Graves
Vice President of Community Impact
United Way of Southeastern CT

Program Development and Growth

- ❖ The agency conducted a **thorough review and evaluation** of all programming, combining and unifying programs to ensure that all participants in eastern CT could access all the types of programming we provide: residential, day, employment and retirement supports.
- ❖ A consultant helped us conduct a **region-wide program, transportation and facility study to optimize operations.**
- ❖ Grants for comprehensive architectural studies and construction documents gave us **complete facility renovation guidelines for the northeast.**
- ❖ Community Life & Advocacy, one of the agency's most popular programs, began replicating activities in the northeast.
- ❖ Our Advocacy groups combined forces and are now an even more formidable voice for **disability rights at the Capitol.**
- ❖ Relocation of our **Retirement program** expanded services and increased participation.
- ❖ Marketing grants helped **expand our cookie production micro-enterprise** and place the business on track for self-sufficiency.
- ❖ Leadership worked with OPM, DDS, and area development/construction representatives to plan for integrated, affordable, **supportive housing units** in a larger development in New London.

OUR OPERATING PRINCIPLES →

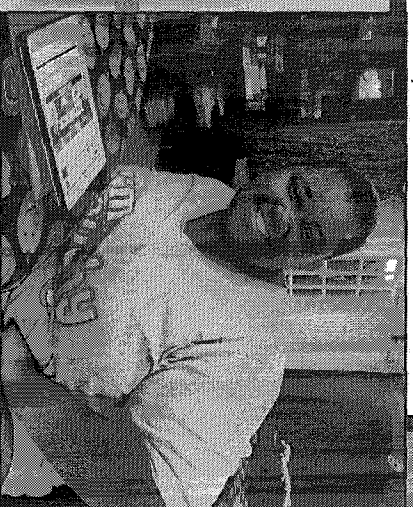
Special Thanks to These Sponsors

21 st Century Tolland Fund	Comcast	Muenzner Payroll Solutions	Thames Valley Relief
A & A Management, LLC	Connecticut Business Systems	Mutual of America	The Daughters of the Holy Spirit
Ace-43 Corporation	CorePlus Credit Union	Mystic River Building Company	The G-Seven Catering Co.
Acorn Acres Campground	Creative Wellness Marketing	New England Telephone	The Loomis Team
Alarm Security Protection Co, Inc (ASp)	Daniel R. Santos, CPA, LLC	Employees Community Service Fund	The Mitchell D. Phaiah Foundation, Inc.
All Souls Unitarian	Desmarais & Sons, Inc.	New Shoreham Human Systems Consulting, LLC	The Nutmeg Companies Inc.
Amazon Smile	Dime Bank	Northeast Flooring & Kitchens, LLC	The Rideshare Company
American Truck	Kristine Durocher	Odell Public Utilities	The Robert F. and Maureen T. O'Keefe Family Foundation
Historical Society	ERW, Inc.	O&G Industries, Inc.	The Schuster Group
Anonymous	Flanders Fish Market	Odd Fellows Faith Hope & Charity Fund, Inc.	Thomas & Candace Sullivan
Archambault Insurance Associates	Fluid Coating Technology, Inc.	Overhead Door Company	Thompson Lions Club
Atlantic Broadband	Foster Corporation	Pfizer Connecticut Labs	Titan Energy New England, Inc.
bankHometown	Louis Geleon	Premier Printing	Tito's Handmade Vodka
Bartol Heating and Cooling	Gerardi Insurance Services, Inc.	Putnam Bank – a Division of Centerville Bank	Towne Liquor Store
Benepe Sales & Consulting, LLC	Gilman and Valade Funeral Homes and Crematory	Putnam Bank Employee Giving Program	TriPoint Insurance, Inc.
Berkshire Bank	Guillot Funeral Home, LLC	Putnam Emblem Club #209	Walgreens Dayville Distribution Center
Bousquet's Appliance & TV	Hilltop Contractors, LLC	Putnam Rotary Club No. 6507	Walter & Carolyn McGinn, DMD
Brunet & Company	Home Builders & Remodelers Association of Eastern Connecticut, Inc.	Putnam Supermarket	Wheelabrator Putnam Inc.
Real Estate LLC	bankHometown	R & W Heating Energy Solutions, LLC	Williamatic Waste Paper Co., Inc.
Buckham, Masseur Associates & Less Systems & Incentives, Inc.	Hometown Heating LLC	Rawson Development	WINNY Radio
Byrnes Agency Insurance, Inc.	Jawett City Savings Bank	Rawson Materials	Wireless Zone
Chace Building Supply of CT, Inc.	Killingly Brooklyn Rotary Club	Rose City Financial Services	Woodstock Business Association
Charity Painting	Killingly High School	Rotary Club of Norwich	Workers Compensation Trust
Charter Oak Federal	Linemaster Switch Corporation	RPC Associates, LLC	Yankee Remodeler of New London, Inc.
Credit Union	Lishon Tire, LLC	S & S Worldwide	Gregory Young & Barbara Deindorfer
Children's Dental Associates	Roland Lupien, D.D.S.	Sisters of the Immaculate Conception	
Christ Church of Pomfret	Macara Vehicle Services	Spiral International Corp.	
Cigna Health and Life Insurance Company	Mallove's Jewelers	Stop & Shop	
CohnReznick	Mattern Construction, Inc.	Sulzman Shapiro Attorneys-at-Law	
Collins & Jewell Company	Maynard Electric LLC	Sure Bright Inc.	
Colonial Health Rehab Center of Plainfield, LLC	John & Darlene Miller	Takeda Millennium	
Columbia Ford Kia	Miyoshi America		
	MJ Sullivan Automotive Group		
	M & M Properties		
	Mohegan Congregational Church		

Gifts in Kind

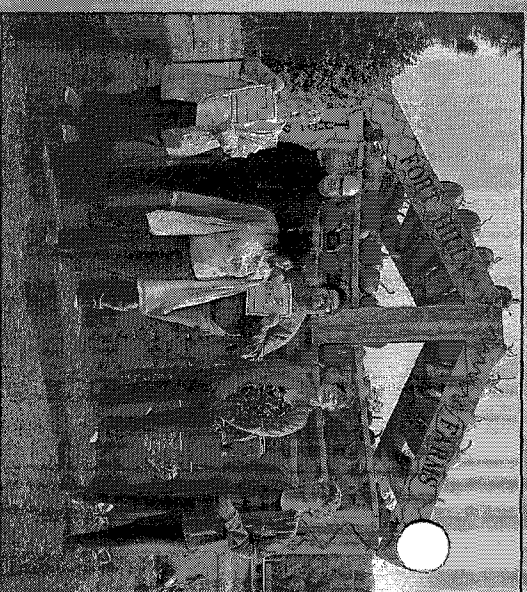
We're delighted to acknowledge the following organizations, businesses and families for their generous and thoughtful donations of goods and services to our fundraising events and to our day, residential, advocacy and employment programs.

Cathy Bokoff
David & Lynn Bourque
Brooklyn Country View Restaurant
Clarity Output Solutions
Garde Arts Center
H&R Block
The Hickey Family
Hitachi Cable—Suzhou
Lisbon Tire, LLC
Microtel Inn & Suites by Wyndham
Mohegan Sun Resort & Casino
Northeast CT Chamber of Commerce
ServiceMaster by Mason
Skydive Danielson
The Sunshine Shop Inc.
Town Fair Tire
The West Family



SPONSORSHIPS and GIFTS

The Arc Eastern Connecticut is extremely fortunate to be supported by so many wonderful organizations and area businesses who made donations to the agency and sponsored our fundraising events in FY 2020.



Outreach, Advocacy, and the Fight for Fair Funding

- ❖ Throughout the year, The Arc ECT's CEO presented talks on mergers both locally and nationally, and was keynote speaker at The Eastern CT Chamber of Commerce's 10th Annual Social Services Recognition Breakfast.
- ❖ Over 100 advocates, team, family and friends of The Arc ECT attended **Family Hearing Day at the Capitol in February**, providing testimony and support for increased funding for disability services.
- ❖ The Arc ECT became a **Census Complete Count Committee**.
- ❖ Our Advocacy Coordinator Jamie Lazaroff and our Board Member Sen. Paul Formica were honored for their service at the Legislative Office Building in February 2020.
- ❖ We worked with elected officials to advance recycling legislation benefitting our redemption center employment program.
- ❖ The Arc ECT CEO began a series of monthly columns for *The Bulletin* on disability-related topics, highlighting the people we support, our team, and community partners.



It's always a pleasure to see The Arc ECT's advocates at the State Capitol and the Legislative Office Building talking to legislators and testifying on bills. We rely on their energy and expertise to make great public policy for Connecticut's disability community.

—Sen. Cathy Osten

Training, Technology, and Continuous Improvement

- ❖ With The Arc CT, we co-hosted and facilitated several **Future Planning Seminars** throughout the region for parents and families of people with IDD.
- ❖ All agency technology was upgraded this year, and our web and social media sites consolidated to reflect the merged agency.
- ❖ We now have an agency-wide **Help Desk** for all technology-related issues.
- ❖ A new **online jobs portal** was created to simplify and streamline the application process for potential team members.
- ❖ Training grants received will allow for **Certified Employment Support Professional Training** for Job Coaches.
- ❖ Thanks to the diligent efforts of both program team and our in-house auditors, our **OSR (Quality Service Review) scores** for the entire agency were 98% for fiscal year 2020.

Change: We will change our community by modeling and raising awareness of our mission.

CONNECTED TO COMMUNITY

Residential Supports

—promoting choice, personal growth, and community relationships

The Arc Eastern Connecticut's 22 Community Living Arrangements (CLA) and Continuous Residential Supports (CRS) are homes to **93 people throughout Eastern Connecticut**. This year, thanks in part to grant funds, we introduced a program from a professional singer that included combined music and sign language. Our residents with autism especially loved these performances.

Community Companion Homes

—an additional housing option for people with IDD

The Arc ECT oversees one of the region's CCH programs. It works with people with IDD who would like the opportunity to live in a family setting, and matches them with warm, nurturing people who accept the responsibility of caring for an adult with IDD in their home. This year we referred 10 families from western CT to CCH's in those regions.

Person-Centered Supports for People with IDD Living at Home

The Arc Eastern Connecticut's Individual Services program provides daily living and social service supports to **95 people with IDD throughout the region**. Each person living in his or her own apartment, with roommates, or with family, partners with The Arc ECT to develop strategies to live as independently as possible. The program also provides a **day support component** that includes community, social integration, and volunteer activities.

This year the Individual Services program partnered with DDS and Eastern CT Housing Opportunities to develop a proposal to oversee a program for people with IDD living in 7 apartments in a proposed 64-unit apartment building in New London.

Specialized Services

The Arc ECT is an approved provider of services to people with IDD who are in long-term care nursing homes. Our team visits people directly in these care facilities and continue providing the necessary supports they were receiving prior to needing to be transferred to long-term care.



OUR OPERATING PRINCIPLES →

In Memoriam

The Arc Eastern Connecticut is honored to receive donations from friends and family members in memory of the following loved ones:

John Bard
Sandy Barry
Matthew Benoit
Henriet Blanchette
Leo Cassettari
Patricia Cassidy
Terry Chambers
Andrew Chatlas
James H. Clair
Paul and Georgette Coderre
George Daly
Judy Daviau
Charles Fenick
Linda Gedeon
Kara Grillo
Thomas Hesketh
Mary Courtney Kelleher
Steven Kennedy

Members of Knights of Columbus
Ponemah Council #34
Philip Lachance
Robert A. LeBlanc
Dick Mailhot
Annette Mars
Melvin Mason
Americo Mastronunzio
Margaret Maus
Kay Moore
John Morrison
Jack O'Keefe
Raymond L. Plassman
Gilbert Sheffield
Janine Theve
Norman Topping
Gail Tyler

Honorees

Gifts were made this year in honor of the following friends, family members and co-workers:

Doris Briere
Alexia Sedonia Bunn
Gary Cote
Conor Daly
John Deindorfer
Gail Grieka
Andrea Kaiser
Steven Kennedy
Patricia Masse
Patty Moody
Felicia Murallo
Everett O'Keefe
Patricia Parker
Barbara and Fred Rich
Jay Siart
Abby Snyder
Denise Tift
Paula Vincent

“My daughter really looks forward to her daily Zoom call with her job coach—it keeps her so engaged. The peer video chats on ZooRoom are also really helping her.”

—Lorraine L.

2020

The 1952 Society

To commemorate the founding year of both The Arc New London County and The Arc Quinebaug Valley's founding year, the 1952 Society recognizes donors who have exceeded a lifetime contribution of \$1,952.

The Adams Family
Shannon and Robert Aiello
Denise Archambault
Diane Aubin
Martin and Arlean Bednar
David and Lynn Bourque
George and Pam Brown
Sherri Burdette
The Chojnicki Family
Victoria Christian
Joann and Charles Cirrito
Stephen Colgan
James and Deborah Dandeneau
Gene Michael Deary
Michael Deary
Barbara Deindorfer & Gregory Young
The DeMatto Family
The Demicco Family
Lisa DeMots Davies
Edward and Mary Lou Desaulnier
Mark and Susan Desrosiers
Thomas and Julie Ann Dupont
The Fournier Family

Denton Gates
The Gedeon Family
Laura Giannelli
Maureen Gilardi
Deborah Gregoire
The Grygorcewicz Family
Betty Hale
The Halloran Family
The Heck Family
Laurie Herring
Terrence Hickey
Scott Kadey
Bob Kaufman & Joann Chapel
The Kelleher Family
Deborah Kirby
The Klemmer Family
The Leone Family
The Lorenz Family
Attorney Stanley Lucas
Roland H. Lupien, DDS
Joe and Carol Mastronunzio
The Maus Family
The Middleton Family

John and Darlene Miller
Alice Munyan
Frank Newth
Peter and Kelly Newth
The O'Keefe Family
Onnolee Rader
Allan and Kathie Rawson
Jeffrey and Jessica Rawson
The Rhodes Family
Daniel and Judith Rovero
Kevin and Linda Shaw
The Siart Family
Bob and Jinny Smanik
Mary Ellen Snyder
The Sobolov Family
Kathleen Stauffer
The Thomas J. Sullivan Family
Ralph and Vicki Tate
Robert and Ann Tetreault
The Theve Family
Steven and Marge Townsend
Robert and Sue Vincent
The Walstra Family

*New members as of FY 2020 are in bold

Day Support Options

—a focus on community involvement and choice

Day programs and extended day programs at our Norwich and Danielson locations provided **personally tailored programming to over 100 people age 16 to 84**, many of whom require complex supports.

This year, grants provided upgraded equipment at both sites that assists in moving participants and preventing team injuries. In addition to going on a variety of outings, participants took advantage of in-house activities including music therapy and mock trips that included planning, getting tickets and boarding a plane. They also participated in **volunteer opportunities that built friendships and strengthened neighborhood ties.**

We expanded our **Retirement Services**, with help from participating Seniors, and our Norwich Seniors officially joined the Red Hat Society. **Our Danielson space was completely reorganized** to be comfortable, inviting, and able to host a variety of activities—including cooking classes—simultaneously. Seniors continue to take advantage of the many community outings offered, but at a bit of a **slower, more relaxed pace.**

We're so fortunate to have The Arc volunteers at our running events—they're dependable, reliable and very hard working. They add so much spirit and enthusiasm to our events. You're the best!

—Nancy Loughlin
Hartford Marathon

Community Life & Advocacy

—a plan for a full life

The Arc ECT's Community Life & Advocacy (CL&A) program facilitates ongoing social networking and independence through fun, supportive, and educational activities.

Last year the program served 161 people.

In March, we pivoted successfully, keeping everyone connected through routine calls, ZooRoom chats, and online games and discussions. 2019 and early 2020 was also full of activity.

- * 9 athletes participated in the **Virtual Olympics Summer Games**
- * By popular request we began to develop a **men's group**, similar to our popular **Voices group for women** at-risk of sexual abuse and/or exploitation.
- * The 35+ member **Volunteer Corps** assisted at 75 projects and community events.
- * Our north and south **Self-Advocates** merged into one group and this year participated in Family Hearing Day at the Capitol as well as other advocacy events.
- * The 16-member **SPARCS teen advocacy** group focused on personal budgeting, job-seeking skills, and good nutrition.



Community: We facilitate the development of natural relationships to connect people with their communities.



The Arc ECT's

Innovative Employment Programs

— a variety of supports and resources to help people on their journey to financial independence

97 people with IDD age 21 to retirement participated in our varied employment programs last year.

In both our northeast and southeast locations, The Arc's Employment Programs offer:

- ✱ An exploration of areas of interest, skills evaluation, vocational training
- ✱ Job seeking/resume writing
- ✱ Interview preparation, workplace etiquette workshops

Participants complete their employment program in competitive employment with area businesses, in groups at area businesses, at training assessment sites in the community, at student-specific training sites, and through volunteering in a variety of venues including senior centers, community centers, area colleges, etc.

This year, our Day Support Option for those who need a bit more support included:

- ✱ Advocacy and community integration and volunteer opportunities
- ✱ Computer and internet training and Digital Literacy courses (which continued remotely during the pandemic)
- ✱ Participation in the New London Library's Empowerment program



The Arc ECT's Micro-Enterprises

Real world experience that translates into competitive employment

We match employees with jobs in their fields of choice, where they receive training and support and grow into sought-after employees.

The Arc ECT operated 8 micro-enterprises throughout eastern Connecticut in fiscal year 2020.

Highlights:

- ✱ Lawn and landscape services doubled their customer base.
- ✱ The Emporium upscale thrift store saw a surge in business.
- ✱ Legislators visited our Redemption Center and vowed to help us advocate for a bottle and can return increase.
- ✱ A DDS Employment Innovation grant provided promotion/marketing assistance for the cookie business.

From March to July 2020, these programs were suspended due to the pandemic. We are now reopening, bringing our eager workforce back to gain experience in the fields they eventually want to join.

Michael Lowell

& Jennifer Heath

Edward & Barbara Luther

William & Christine MacIntosh

David & Diane MacLaren

Priscilla Magnani

Lorraine Malhot

Mark & Joan Malchiodi

Mark & Ellen Maloney

Joseph & Marilyn Mancini

Diane Manning

Loretta Manning

Kevin & Cary Marcoux

Eleanor Mariani

Brian Martel

Donald & Patricia Masse

Joe & Carol Mastronunzio

Mike & Ellen Maus

Russell & Nancy Mayhew

Kathleen McBride

Margaret McCarthy

Richard McCarthy

Donna McDonough

Melissa McGuire

Michael & Joyce McOsler

Michael & Julie Menders

Rachel Merrill

Gregory & Renee Messier

Marissa Miller

John & Darlene Miller

icky & Donna Milharik

Carol Minalga

Jenna Miner

Michael Mirsky

Abner Molina

The Moody Family

Phillip A. Moody

Andrew & Emily Morrison

Phyllis Morrison

Dennis & Johanna Morse

Gary Motin

Doreen Murdock

Jennifer Nadeau

Paul Narducci

Murray Navick

Joan Nelson

John Normington

Ronald & Gail Obach

Julie O'Connor

Karl Odden & Alyson Aleman

Mary Anne O'Keefe

Jack & Robin O'Keefe

Ginger Palmer

Peter Panichas

Richard & Florence Parker

Bruce & Linda Parsons

Jeffrey & Lindsay Paul

Gwen Perry & Douglas

Barrette

Peter & Lynda Petrides

Theodore & Rosemarie Plecyk

Anne Pierson

Carl & Cheryl Plassman

Louise Pockoski

Raymond Poirier

Leslie Poitras

Joseph & Elizabeth Ponzi

Eric & Debra Porter

James & Irene Profetto

Charles Puffer

Jeffrey & Jessica Rawson

Richard Raymond

Dennis & Darleen Raymond

Alberto & Megan Redillas

Roberta Reddy

Peter Regas

Anthony & Beth Reinhold

Lawrence Ring

Grant & Elizabeth Ritter

Mercedes Robbins

William & Joanne Robinson

Michael & Rose Rodrigues

Earl Rosebrooks

Nathan & Ann Rosebrooks

David & Judith Rzucllo

Roger & Cheryl Salvas

Kenneth & Patricia Sarasin

John Satti

Norman & Sara Seney

Rita Serio

Jeremy Serwer

Kevin & Linda Shaw

Barry & Brenda Shead

Karen Sheffield

Edwin & Alice Sheldon

Kenneth & Janice Shirshac

Jan Jens

Stephen Sikora

Peter Sirkowski

Jitendra Sinha

Lisa Smigel

The Smith Family

Phyllis Smith

Robert & Diana Smith

Abby Snyder

Ronald & Mildred Sokolowski

Cathleen Special

The Stankewich Family

Joseph & Joanne Stanley

Kathleen Stauffer

Josephine Stenback

Marissa Straks

Thomas & Candace Sullivan

Charles Sullivan, Jr.

Paul Swantek

Mary Beth Sworin

Ralph & Vicki Tate

Diane Theriot

Tom & Susan Theve

Thomas Thurlow

Preston Toliver

Steven & Mary Tomeo

Richard & Dianne Trembay

Glady's Tucker

Gayle Vare

David & Patricia Varholj

Cheryl Veilleux

Gail Vitagliano

Hany & Noheir Wahba

Dick Walsh

Denise Walstra

Richard & Terri Warren

Richard & Janet Watson

Arthur & Cheryl Weeks

Grace Werling

Mary White

Linda Wilkins

Bill Williams

John Williams

John Wood & Lynn Martell

Robert Wood

Gregory Young

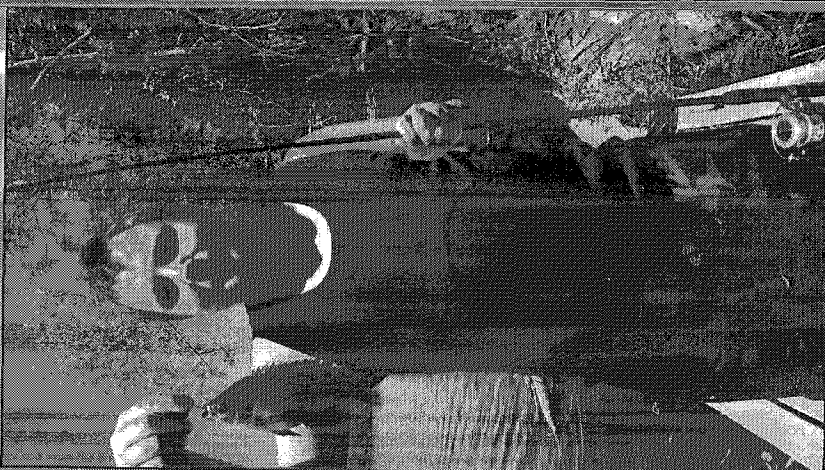
& Barbara Deindorfer

Lu Ann Zbinden

Edward Zeldis

Martin Zeldis

John & Sheila Zittel



It has been a true privilege for me to work alongside The Arc Eastern Connecticut to protect and support people with IDD. I am always amazed at the terrific response from families when they are called to action. As a legislator, I can tell you what a profound impact their voices have on helping craft sound policy for individuals with disability in the areas of employment, education, housing, funding, and an array of vital services.

—Rep. Kathleen McCarty

OUR OPERATING PRINCIPLES →

We are pleased to acknowledge the following individuals and families for their generous donations to The Arc Eastern Connecticut.

Adam & Hollis Abram	Kristin Cathell	Julie Drouin	Peter & Beverly Herstein
Roberto & Ellen Aburin	Marianne Champagne	Nhu Duong	Ann Hesketh
Shannon & Robert Aiello	Harold Chappell	Thomas & Julie Ann Dupont	The Hickey Family
Ariene Altmeier	Debbie Chappell	Paul & Ellen Durand	Brian & Bridgette Hickey
Anonymous	Robert Chicote	Charles & Cheryl Eaton	John & Patricia Hines
Charles & Alice Archambault	Victoria Christian	Max Edmond	Amy Hinkle
Marc & Mary Archambault	Richard Cimochowski	John & Lorraine Egan	Joann Johannemann
Denise Archambault	Gerard Cinq Mars	Edgar & Barbara Elliot	Kevin Johnson
Claire Armstrong	Mark & Bette Clemens	Alice Ennis	Roland & Alma Johnson
Daniel & Mary Atwood	George & Joy Colelio	Jerome & Diane Ethier	Sandra Joyce
Diane Aubin	The Colgan Family	Joel & Roslyn Etta	The Juber Family
Susan Bailey	Anthony & Christine Cosentino	Stephen Etzel & Sherill Cyr	Scott Kadey
Raymond & Lorraine Balick	David & Gloria Courroyer	Richard & Julia Evans	Michael & Andrea Kaiser
Heleen Bailou	Everett & Nancy Cowley	Joan Fenick	Thomas & Joanne Kasprzak
William & Susan Barbutto	Walter & Denise Crabtree	Emily Ferguson, MD	Kathleen Katamura
Kathryn Barius	Jim & Michele Cronin	Joseph & Mary Ann Foder	Michael Kelleher
Ronald Bates	Gerald Daigle	John Folsom	Paul Kelly
Diane Beames	Marge Daly	Debra Gagnon	Amy Kennedy
Gusty Beamman	Rita Dancosse & Barbara Morrison	Denton Gates	Majorie Kimball
Alice Beiden	Patricia Daviau	Louis Gedeon	Deborah Kirby
Kathleen Belinga	Betty-Jo Davis	Jason & Jessica Genum	Sara Klemmer
Paul & Annemarie Belenoit	Barbara Davis	Frances Gesualdi	Lisa Knobloch
Judith Bennett	Monica Dean	Laura Giannelli	Hans & Christina Koehl
Carol Benson	Gene Michael Deary & Elizabeth Zachow-Deary	Arthur E. Girard	Paul Koening & Mary Mercado
Charles W. Bentley Jr.	Allen Deary	Michelle Glaza	Anthony & Giselle Komorowski
Katrina Beraw	Rick & Luanne DeMatto	Frank & Susan Golet	Doris Kohnowski
George & Gettude Bordua	Leo & Shirley Demers	Lynn Goodwin	Elizabeth Korinek
Thomas & Kathy Boner	Roy & Bonnie DePizzol	Dwayne & Denise Grant	Steven & Patricia Kovacic
Joyce Boutillier	Matthew & Julie Desaulnier	Joseph & Ashley Grant	John & Jeanne Kramer
Gary & Theresa Bowne	Norman Deslauriers	Pat Grygorciewicz	Sherilyn Kuzel-Hannery
James & Linda Bunn	Mark & Susan Desrosiers	Annette Greiner	John & Judi Lachance
Sherril Burdette	Richard Dion	Paul Grenier	James & Mary Lafontaine
Christopher & Patricia Burke	Marc DiSilvestro & Wendy Daly	Robert & Rebecca Gillo	John Lafontaine
Kim & Susan Bushey	Sandy Dodge, Jr.	Theresa Gronko	Jean Lafreniere
Susan Calaman	Bill & Abby Dulliver	Judy Haines	Lorraine Lanyon
Patricia Carlin	Lara Dolphin	Ronald & Wanda Halinski	Mary LeBlanc
Richard & Dolores Carrahan	James & Patricia Doran	Colleen Halloran	Donald & Jean Leone
Gail Carr	Jeffery & Susan Dover	Nathan & Jean Hart	John Lopes
Norma Cassettari	Michael E. Driscoll	Shiela Hayes	Mark Lopez, MD
		Laurie Herring	Peter Lopore
		Frank Hegedus	Lori Loughlin

If you made a gift to The Arc Eastern Connecticut between July 1, 2019 and June 30, 2020 and do not see your name on our list of Community Partners or Donors, please accept our apologies. You may contact Denise Tift at (860) 889-4435 ext. 116 to be added to this list.

Camp Programs

Summer is for camping all throughout eastern Connecticut!

We work with campers and their families to choose the perfect summer experience. In 2019 we offered 6 week-long overnight sessions at Camp Harkness in Waterford. 189 campers took advantage of the beautiful location and many indoor and outdoor activities that included swimming, boating, crafts, hikes, games, dances and more.

Camp is a valuable and fun recreational experience for everyone—**summer counselors and team members gain as much from camp as our campers do.** They become friends and advocates, developing relationships that last far beyond the summer.

We also help campers take advantage of programs at Camp Horizons in Windham and Camp Quinebaug in Danielson.

Due to the COVID-19 pandemic, with much sadness we made the decision to suspend Camp Harkness programming for 2020. We're planning for an incredible 2021 season and hope to see even more campers enjoying this great experience.



The Transitional Employment and School-to-Work Transition

In fiscal year 2020, our Transitional Employment Services (TES) program and our School-to-Work Transition Program helped provide supported vocational services to 17 people determined to further their careers. TES participants meet 5 times a week for employment training sessions and life skills training during their internships with local businesses. Both programs create tailored plans for each individual focusing on skills assessment and development, community involvement, and civic responsibility. Internships this year, at area hospitals and non-profit agencies including animal sanctuaries, helped with career exploration.

The Extended Year Program offers students with IDD the opportunity to continue their educational plan through the summer, with activities including recreation, leisure and life skills. During fiscal year 2020, 4 students continued to improve on skills worked on during the school year while enjoying other activities as well.

—Brian Unwin
Director of Dining Services, Pitzer Graton

Family: We encourage and facilitate family education and engagement as fundamental to helping people living with disability achieve positive outcomes.

Staying Safe and Healthy —

PIVOT

- ❖ We retooled programming for all our participants, keeping everyone in contact with team members and peers, and established regular, reassuring routines that **minimized disrupted services**.
- ❖ More than 60 team members who were called from other various programs to help staff our supported residences were trained in the use of the Therap case management software for residential programs.
- ❖ Online (Zoom, ZoomRoom, etc.) platforms were utilized to keep all team members and participants connected.
- ❖ A committee comprised of managers from all programs created a comprehensive plan for a **gradual and thoughtful reopening**.

TECH SUPPORTS

- ❖ Every day through the pandemic, The Arc ECT connected families, team members and program supports through innovative technologies.
- ❖ New alarm systems and **exterior monitoring cameras** were installed in our Danielson locations.
- ❖ Our entire vehicle fleet received **homogenized GPS systems** this year via ClearPath to track all van details, including maintenance requirements and location data.

RISK MITIGATION

- ❖ Food and supplies were delivered to each residence by a contracted vendor.
- ❖ Kiosks were set up at building entrances for team member and visitor **sign-in procedures** and **health screenings**.
- ❖ Enhanced nursing supports **allowed supervisors to confer with nurses** regarding team screenings, observations, etc.

Thanks to all the staff for their dedication and sacrifice during this trying time as they provide care to some very special people. Words cannot describe how thankful I am to all of you.

— Michael J. Motyl,
friend of The Arc ECT



OUR OPERATING PRINCIPLES

Thank you to our community partners who provide venues, resources, services and supplies to help make our programs a success!

Employment & Training Site Partners

Burnett's Landscaping
CW Resources—The US Naval Submarine Base
Coastal Cleaners
Camp Harkness
Community Café Putnam
Coogan Farm
DXC Technology
Day Kimball Hospital
Fleet Reserve Association
Gemma E. Moran United Way Food Center
Goodwill
Hay Burr Inn Horse Rescue
Heritage Pines Apartments
Linda's House Pediatric Daycare and Preschool
Local Creations at Groton Senior Center
Lowe's Distribution Center Plainfield
Mike Smith Transmissions
Mohegan Sun
Mystic Marriott
New London Public Library
Panera Bread
Paws Cat Shelter
Rawson Materials
The Resident
Rite-Aid
St. Vincent DePaul Place
— Norwich Soup Kitchen & Food Pantry
Seely-Brown Village
ShopRite New London
Stop & Shop Groton and Waterford
Thames Valley Council for Community Action, Inc. (TVCCA)
Valley View Riding Stables
Walmart Putnam
Waterford Community Center
Whitcraft

Bill Library
Buttonwood Farm
Chase Manor 2 Norwich
Chelsea Groton Bank
CT Free Store
CT Humane Society
Denison Pequotsepos Nature Center
Divine Providence Church
Eastern CT Ballet
Ekono Hill Turkey Farm
Get Fired Up
Groton Senior Center
Hartford Marathon Foundation
High Hopes
Lavender Hill Farm Alpacas
Lyman Library
McCook Point Park
Mohegan Bowl, MA
Mystic Aquarium
New London VFW
Newent Congregational Church
Norwich Bully Busters
Norwich Senior Center
Norwich Ten Pin
Outback Stables
Panera Bread
Preston Library
Pumpkintown
Ray of Light Farm
Southwick Animal Farm
Sprague Library
Waterford Parks & Recreation

COMMUNITY PARTNERS

Our combined fundraisers are some of the most eagerly-anticipated events of the year, from New London to Woodstock. 100% of proceeds are directed towards programming for people with IDD. Thanks to the hundreds of participants and event sponsors who help us to continue providing vital programs and services.

The Arc's Fundraisers at a Glance

April: Murder Mystery Dinner Theater: a limited-seating formal dinner where attendees solve a crime, assisted by a professional theatre troupe.

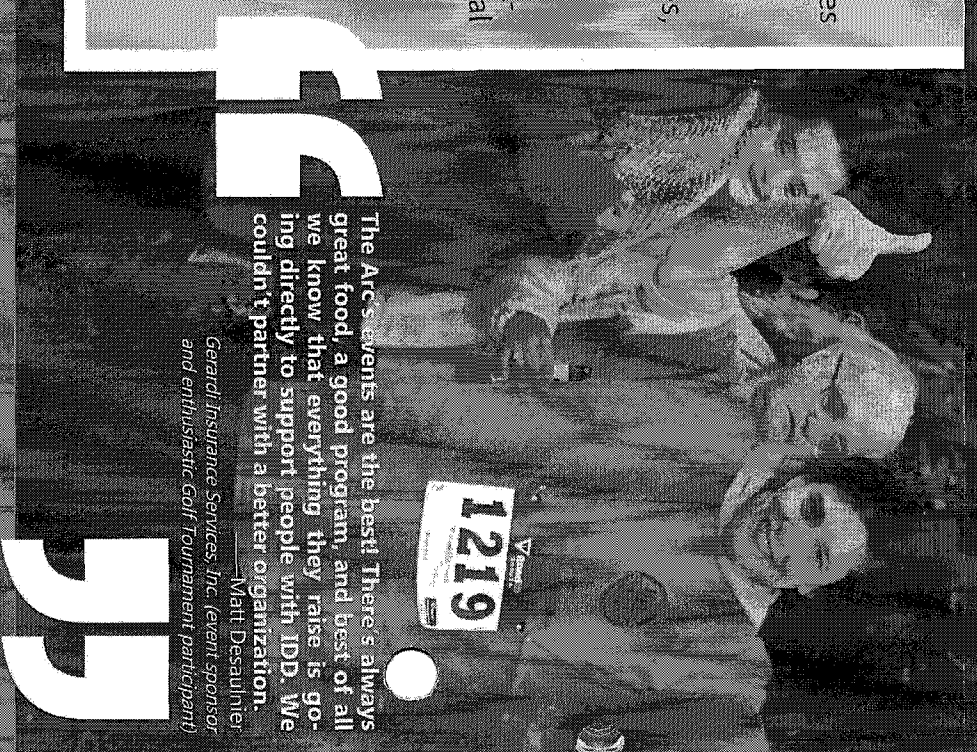
April: The Arc Film Festival: an evening of short films celebrating people with disabilities, with hors d'oeuvres and a high-quality silent auction.

June: The Gardner Johnson Memorial Golf Tournament: for both experienced and weekend golfing foursomes, held at the CT National Golf Club.

October: The Annual Jack O'Keefe Memorial Strides Road Race: 10k, 5k and fun run/walk/roll for all ages and abilities.

December: Families, friends and businesses contribute to The Arc ECT through the worldwide Giving Tuesday campaign.

Year Round: Annual Giving campaign.



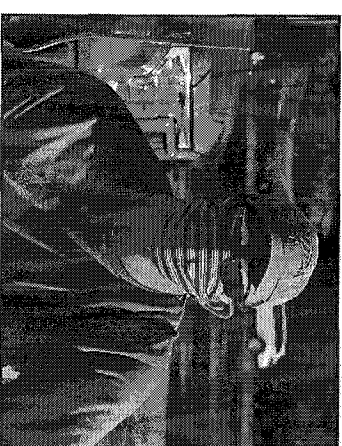
The Arc's events are the best! There's always great food, a good program, and best of all we know that everything they raise is going directly to support people with IDD. We couldn't partner with a better organization.

Gerardi Insurance Services, Inc. (event sponsor and enthusiastic Golf Tournament participant)

Matt Desaulnier

Note: Due to the pandemic, we were forced to cancel our Murder Mystery Dinner Theater, Film Festival and Golf Tournament this year. We don't know what we would have done without the kindness, understanding and generosity of our event sponsors who had committed funds to these events and have allowed us to retain their sponsorship dollars. These incredible community partners made it possible to continue funding those essential programs that depend on these events for their continuation.

Our Response to the COVID-19 Pandemic



HEALTH AND SAFETY

- * Through exhaustive global searches, the agency acquired sufficient PPE for its 22 group residences and all day program facilities, vehicles, and administrative offices for the months during the pandemic and in preparation for ongoing and future needs.
- * All buildings were professionally cleaned, including the HVAC/duct systems.
- * Reconfigured program and office space in each building, along with policies and health check stations at entrances, allowed the agency to reopen on July 15 at 50% capacity.



COMMUNICATION

- * The Arc ECT created podcasts, weekly COVID-19 updates, community resource lists, and "Activities 4 U," a growing and changing list of virtual adventures and activity links for the entire eastern Connecticut community.
- * A member of the IT department became the agency Vendor Liaison, coordinating all construction, maintenance, and equipment supply activities.
- * A survey was sent to families to help guide our reopening plan, stay connected, and talk about how everyone was adjusting and adapting.
- * Our "Answers from The Arc" podcasts reached more than 20,000 team members and partners.



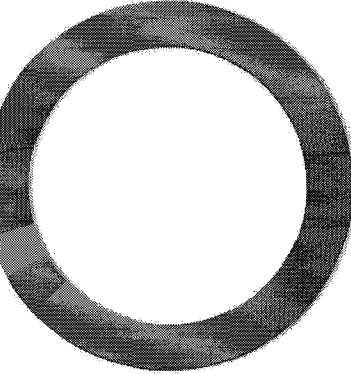
MAKING LIFE A LITTLE EASIER . . .

- * New iPads were purchased for the supported residences and day programs to keep people connected to their friends, families and team members.
- * Complete movie packages were installed at all our supported residences to make "staying in" a bit more enjoyable.
- * In June, a supervised family visit protocol was developed that let families visit face-to-face at our main locations while maintaining social distancing and following all precautions. Many families took advantage of what turned into an extremely positive and beneficial activity for everyone.

Innovation: We continually break new ground in providing a menu of service options and improving how we operate our organization to bring about meaningful change for the future.

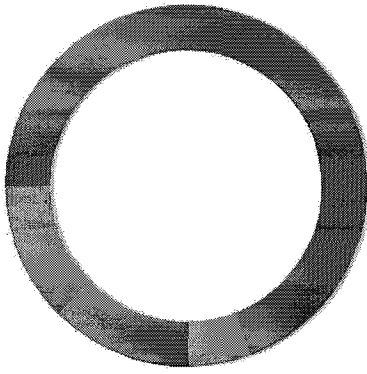
Our First Year a

The Arc Eastern Connecticut



FY2020 Revenue

■ Contract Revenue ■ Room & Board
■ Service Fees ■ Other



FY2020 Expenses

■ Salaries ■ Benefits
■ Program ■ Transportation
■ Building & Equip ■ Admin & General

Revenue	FY2019	FY2020
Contract Revenue	\$15,725,036	\$18,411,948
Room & Board	\$760,907	\$809,848
Service Fees	\$1,213,104	\$784,956
Supported Employment Program	\$394,284	\$309,841
Grants	\$215,967	\$275,345
Fundraising & Support	\$354,996	\$181,758
Rental Income	\$89,342	\$89,070
Investment Income	\$12,594	\$2,247
Other Income	\$163,757	\$38,213
Total Revenue	\$18,929,987	\$20,903,226

Expenses	FY2019	FY2020
Salaries	\$10,713,085	\$11,979,900
Benefits	\$2,117,161	\$2,460,488
Program	\$948,330	\$1,176,433
Transportation	\$1,094,962	\$1,087,609
Building & Equip	\$1,489,490	\$1,563,325
Admin & General	\$2,548,428	\$2,582,578
Total Expenses	\$18,911,456	\$20,837,192

The Department of Developmental Services made every effort this fiscal year to make providers whole and to compensate for COVID-related expenses.

Grant funding is a vital component of The Arc Eastern Connecticut's programming. In 2019/20, state, federal, community, and foundation grants were instrumental in helping our employment, community involvement, and enrichment programs continue to strengthen and grow. We're grateful to the many organizations who contribute to our programming through grant funds and regular cash gifts.

- AHEPA Foundation
- Bailey's Team for Autism
- Berkshire Bank Foundation/The Savings Institute Financial Group Foundation
- Chamber of Commerce of Eastern Connecticut Foundation
- Charter Oak Federal Credit Union
- Chelsea Groton Foundation
- Community Foundation of Eastern Connecticut
- Connecticut Water Company
- Dime Bank Foundation
- Dominion Energy Charitable Foundation
- Eastern Connecticut Savings Bank Foundation
- Electric Boat Employees Community Service Association
- Jewett City Savings Bank Foundation
- Killingly Building Products
- Edward and Mary Lord Foundation
- Knights of Columbus Councils of Norwich, Wauregan, Gales Ferry, and Oakdale
- Town of Old Lyme
- Putnam Bank Foundation
- SeaChange Capital Partners/Lodestar Foundation
- State of Connecticut Office of Policy and Management
- USDA Rural Business Opportunity program
- United Way of Southeastern Connecticut
- Town of Waterford



The Founder of Habitat for Humanity, Millard Fuller, once said, 'For a community to be whole and healthy, it must be based on people's love and concern for each other.' By promoting and protecting the human rights of community members with intellectual and developmental disabilities, The Arc is building a stronger and healthier community for everyone. In full agreement with the thoughts of Mr. Fuller, it has been the privilege and pleasure of The Edward and Mary Lord Foundation to support the people, the programs and the Mission of The Arc Eastern Connecticut.

—Kathryn Lord
President
(center in photo, with Bonnie Jones and Tim Bates)

The Connecticut Neighborhood Assistance Act

Through this program, corporations are allowed to donate a certain percentage of their state business tax to a non-profit of their choice. In 2019 we were fortunate to have two corporate partners:

The Connecticut Water Company Killingly Building Products
These generous companies contributed their tax credits towards energy-efficient window installation at our Mechanic Street, Danielson facility