

ANNUAL REPORT

2009



a  
Year  
of  
Change

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October, 2010

Dear Friends:

The year 2009 was a year of making a difference. Just as throughout our history, The Arc worked to create meaningful opportunities for people with intellectual and developmental disabilities (I/DD) and their families.

The Arc has always been a place where individuals, families, self-advocates, and others could reach out and The Arc would extend a hand. In a year of renewed commitment to our common cause, our chapters across the nation have widened their embrace and connected with every segment of the community.

Programs of The Arc have powerful ripple effects as potential models for others to emulate. These dynamic projects, programs and initiatives are unique in their vision and effectiveness, as witnessed by their clear success. Read on for more about the significant accomplishments of a few chapters of The Arc, including:

- The Arc of Aurora in Colorado providing training throughout the country to victim advocates and law enforcement professionals on how to provide effective services to crime victims with disabilities;
- TARC in Tulsa developing the Grief Support Services Program to help individuals with I/DD address the emotional turmoil and impact that loss and grieving can have on their lives. TARC's program embodies The Arc's mission to provide services and supports across the life span; and
- The Arc Arkansas's creation of quality, affordable and integrated housing by transforming vacant properties into universally accessible and integrated living environments.

In 2009, The Arc received \$3 million from the Walmart Foundation, the largest grant in the organization's history, for the Walmart Foundation School-to-Community Transition project to support The Arc's new initiative on behalf of youth with I/DD. The project aims to assure that youth with I/DD and autism achieve the outcomes they desire in the course of transitioning from school to adult life.

The grant will expand The Arc's efforts to improve the quality of transition planning and transition services for youth with I/DD and autism by identifying successful programs that can be replicated nationwide.

The organization embarked on the development of a *Strategic Framework for the Future of The Arc, 2010-2019* in collaboration with our chapter leaders to set forth a collective vision for our future. This bold new path will detail goals, strategies and priorities in bringing to life our vision of achieving justice and equality for people with I/DD.

2009 represents an ambitious beginning toward a future of greater potential, promise and opportunity for people with I/DD.

Sincerely,



Lynne A. Cleveland  
President



Peter V. Berns  
CEO





The Arc's national policy efforts educate, enlighten and influence key legislative and legal supports to improve the lives of individuals with disabilities and their families. The Disability Policy Collaboration—a project of The Arc and UCP—interact with and engage Congress and the Administration to shape issues that impact our constituency, including civil rights, education, employment, health care, housing, long-term supports & services, Medicaid, and Social Security.

## National Public Policy

“Change” was the promise in 2009 as President Barack Obama was inaugurated and a stronger Democratic majority began the 111<sup>th</sup> Congress, and while the White House and the Congress failed to work in a bipartisan manner dashing some hopes for advances, many victories were achieved.

The Arc participated in numerous meetings held by segments of the Obama transition team and educated them on the challenges facing children and adults with intellectual and developmental disabilities (I/DD), their families and the provider networks that support them. The Arc forged relationships with key top-level Obama appointees in various federal agencies and met with Cabinet and Subcabinet officials to establish new relationships and place the needs of our constituents in the forefront.

The enactment of the *American Recovery and Reinvestment Act* by Congress includes billions of dollars to protect and expand disability services and benefits and provide critical funding increases to Medicaid, special education, early intervention, and vocational rehabilitation.

Social Security and SSI beneficiaries also received a onetime \$250 benefit. Plus, the Congress enacted Fiscal Year 2009 and 2010 Appropriations bills that mostly maintained disability services at current levels. A significant increase in HUD housing funding was obtained.

The Congress also passed SCHIP (State Children's Health Insurance Program) that increased health services to an additional 4 million children. SCHIP is intended to cover uninsured children in families with incomes that are modest but too high to qualify for Medicaid.

Finally, after many years of advocacy by The Arc and other disability groups, the Congress added disability to the classes of individuals protected under the *Hate Crimes Act*. This was a significant milestone for disability rights activists in ensuring equal protection for people with disabilities.

The Arc was at the forefront of health care reform. Marty Ford, a longtime staff member of The Arc public policy team met with President Obama, Health Policy Czar Nancy DeParle, other White House staff, and Congressional leaders to press for the inclusion of our constituents in health care reform. People with I/DD stand to gain much from health care reform, both in better access to acute health care and in the expansion of long-term services and supports.

The Arc, along with its five partners, successfully held the annual Disability Policy Seminar in Washington, DC in late April. “A New Era: Embracing Opportunities in the Face of Grave Challenges” joined more than 500 advocates to lobby their representatives on Capitol Hill, educate them and urge them to





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support our national policy goals. The seminar marked its 33rd year of educating participants about legislative advocacy, employment, health care, long-term services and supports, education, and other issues. Kareem Dale, Special Assistant to the President for Disability Policy, addressed attendees. Honorable Steny Hoyer (D-MD), Majority Leader, U.S. House of Representatives, received the *Leadership in Disability Policy Award*.

Major challenges continue to face our nation and the states as the economy rebounds too slowly to stem the rising debt and curb serious threats to the disability support system. This situation has placed heavy burdens on families and the support networks to maintain, if not advance, the level of services and supports so critical to our constituents.

The Arc remains at the forefront in fighting to protect, expand and innovate ways in which people with I/DD are supported in their communities.

Federally, much of The Arc's public policy work is accomplished through a project known as the Disability Policy Collaboration (DPC), which is a partnership of The Arc and United Cerebral Palsy (UCP).



## Walmart Foundation Awards \$3 Million to The Arc

In June, the Walmart Foundation awarded \$3 million to The Arc to establish the Walmart Foundation School-To-Community Transition Project to improve the outcomes for youth with intellectual and developmental disabilities (I/DD), including autism.

The project aims to ensure that youth with I/DD and autism achieve the outcomes they desire in the course of transitioning from school to adult life.

The grant will expand The Arc's efforts to improve the quality of transition planning and transition services for youth with I/DD and autism by identifying successful programs that can be replicated nationwide. The funds will be dispersed through a competitive process to approximately 50 local chapters of The Arc that are operating promising school-to-community transition programs throughout the U.S.

This generous grant will reach across The Arc's extensive network of state and local chapters, individuals with disabilities, their families, disability advocacy groups, and others to identify and spread best practices and program excellence to ensure the full breadth of possibility for young people with disabilities.

With this generous grant from the Walmart Foundation, The Arc will work to improve the lives of youth with intellectual and developmental disabilities (I/DD) and maximize their full inclusion in every aspect of community and society. The Arc will reach across our extensive network of state and local chapters, individuals with disabilities, their families, disability advocacy groups, and others to identify and spread best practices and program excellence to ensure a full breadth of possibility for young people with disabilities.



The grant will expand The Arc's efforts to improve the quality of transition planning and transition services for youth with I/DD and autism by identifying successful programs that can be replicated nationwide.

## TARC Grief Support Services

Loss and grief are inevitable parts of life's experience; everyone responds with varied emotions and reactions, and people with intellectual disabilities are no different. TARC in Tulsa, OK developed the Grief Support Services Program to help individuals with intellectual and developmental disabilities (I/DD) address the emotional turmoil and impact that loss and grieving can have on their lives.

The Arc is the only organization working with people with I/DD and their families on issues across the full span of life. TARC's program is a poignant example of the deeply personal support The Arc provides to individuals and their families.

TARC recognized that people with disabilities could benefit from the same grief support provided to people without disabilities and that this could be achieved by modifying support to accommodate varied abilities. TARC looked to the Grief Recovery Institute in Sherman Oaks, CA, which is widely used by traditional service providers as a model for its own approach. Donna Kerr, who is coordinating the TARC Grief Recovery Program, completed certification training with the Grief Recovery Institute and adapted the approach and program materials to meet the needs of those they serve.

No other traditional provider of grief services in Tulsa has adapted their approach and materials to address the needs of people with I/DD. The TARC program is very personalized and 95% of services are provided where the individual resides and not at the TARC office. Individuals who play significant roles in the life of the referred individuals—from caregivers, family members and guardians to friends—can reinforce an appropriate response to the issues of grief and loss in everyday life.

In offering this program, TARC fills an important need that otherwise may not be addressed. "Contrary to what many believe, there is a need to address issues of loss and grief in people with intellectual and developmental disabilities rather than ignore them," said John Gajda, Executive Director of TARC. "This program offers a profound level of emotional support to help the people we serve navigate a circumstance that is a natural part of life."



The Arc works with people with intellectual and developmental disabilities (I/DD) across the life span. The process of loss and grieving is as profound and integral to a person with I/DD as anyone who endures the loss of a loved one. TARC Grief Support Services provides a personalized approach to coping with this part of the cycle of life.

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Innovation, revitalization and accessibility are the bricks and mortar of The Arc Arkansas' initiative to provide affordable and integrated housing for people with intellectual and developmental disabilities (I/DD). The Arc believes that accessible and quality housing is fundamental to people with I/DD living full, rich and inclusive lives in their own communities.

## The Arc Arkansas Housing Experience

The Arc Arkansas (The Arc) has long been recognized for creating quality, affordable, accessible, and integrated housing. They have pioneered efforts to provide inclusive, integrated housing and supports through a combination of hard work, innovation and the spirit of the law. With the Supreme Court decision, *Olmstead v. LC*, The Arc has continued its advocacy for a system that would be more responsive to each person with a disability and their right to an accessible home.

The Arc Arkansas embarked on a unique housing program that began in 1999 with the renovation of an old hospital/nursing home, transforming it into 22 apartments for people with and without disabilities. The percentage of tenants with disabilities average 35% in each building. This groundbreaking initiative became Trinity Court Apartments and was a realization of a dream by Steven Hitt, the organization's CEO, and Cynthia Stone, their COO.

"Trinity Court apartments are the blueprint for what has become a robust housing program. They were designed to be universally accessible and we wanted to make sure the apartments were also affordable and attractive to everyone to achieve a truly integrated living environment," Hitt said. "It was our goal to create a place where people with disabilities and those without could live."

Literally building on the success of Trinity Court, The Arc used this model to acquire schools and other properties. In 2001, The Arc purchased and renovated the old Eastside Junior High School turning empty classrooms into 41 loft-style living spaces. Expanding on their mission of integrated living, The Arc provided apartments for low-income, moderate-and market-rate tenants. In 2004, the renovation of St. Anthony's Hospital resulted in St. Anthony's Senior Living, apartments for seniors age 55 and over. In 2007, construction of Eastside Lofts Phase II for 34 loft apartments for people with and without disabilities began. Eastside Lofts Phase II opened in January 2008. The Arc is continuing to work on projects in downtown Hot Springs.

The Arc's innovation caught the attention of architects and historical preservationists for maintaining the architectural integrity of the buildings they renovate. Their work was featured in the prominent design magazine, *At Home in Arkansas*, for transforming classrooms into fully restored and awe-inspiring lofts. "Once a high school," the publication noted, "these apartments are a testament to second chances."





The Arc Arkansas embarked on a unique housing program that began in 1999 with the renovation of an old hospital/nursing home, transforming it into 22 apartments for people with and without disabilities.



*microboard* \mi-kro-,bôrd\ n. A small group of committed family and friends who have joined together with a person with a disability to create a nonprofit organization that supports his/her self-determined needs and dreams. The Arc believes in empowering individuals with intellectual and developmental disabilities (I/DD). Through their new and innovative program, The Arc of Texas supports individuals with disabilities in the communities of their choice.

The biggest benefit of a microboard is that the individual with a disability has control over his or her own life with supports from a nonprofit organization run by those who know and care about them most.

## The Arc of Texas—Microboards Provide a Creative Support System

The Arc of Texas adopted a cutting-edge concept and discovered that it could help people with intellectual and developmental disabilities (I/DD) achieve and live independently. The Microboard model originated in Canada and spread to the U.S. where more than 15 states are in various stages of developing programs to create community connection, obtaining and managing direct, individualized funding and engaging the larger community in purposeful personal support for people with disabilities.

A Microboard is formed when a small group of committed family members and friends join together with a person with a disability to create a nonprofit organization. Starting on a PATH (Planning Alternative Tomorrows with Hope), the group participates in a visual process to address the individual's support needs. This PATH outlines and gleans the objectives and dreams of the individual and a graphic facilitator works with them to employ meaningful symbols that represent their aspirational goals, including a focus on the person's dream for their own home.

The group of five to seven board members plays an integral part in creating opportunity for the individual by introducing them to the social community, reinforcing self-determination and managing services such as homes and supports, transportation, medical care, employment searches, and more.

The Amanda Blue Microboard was formed in Houston, TX. Before Amanda's Microboard was formed, she lacked a formal support system in the community, as her mother lived in a nursing home. Her Microboard participated in creating a PATH to achieve her goal to move out of her elderly uncle's home. With the assistance of her Microboard, Amanda was able to find an apartment, which she shares with her brother. Other board members helped her manage and save money, move, obtain free furniture with vouchers and shop for groceries. Another goal in Amanda's PATH, which she successfully completed, was to increase her work hours from part time to full time to provide more income and enable self-sufficiency. Amanda's Microboard and support network allows her mother to rest assured knowing that her daughter will always have the supports she needs to live independently.





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Lori Emery a mom who is on the board of her daughter Andrea's microboard said, "The microboard program offers self-advocates and those who know them best the opportunity to exercise true self-determination in their personal, professional and financial lives. Each self-advocate's vision for their life is made the sole mission of their nonprofit organization or microboard."

The Arc of Texas, led by the visionary efforts of its Director of Development Lisa Rivers, exemplifies The Arc's commitment to creating opportunity for people with disabilities and their families.



The Arc supports an individual's desire to engage in every aspect of community life, including recreational and social opportunities that enhance and enrich their lives. The Arc of Jackson County's creation of the Dance Theater Group in collaboration with the Artist and Choreographers Building Community in Oregon resulted in a unique experience exploring the arts.

## The Arc of Jackson County & the Arts

In August 2009, The Arc of Jackson County (Oregon), Easter Seals Oregon and Artists and Choreographers Building Community came together to offer everyone the opportunity to express themselves through dance and theater.

They presented “Cinderella in Blue”—an original dance-theater production—kicking off with an open audition which allowed people to take part in a cultural experience they otherwise might not have been afforded. After nine months of weekly production work, rehearsals and countless volunteer hours, the group's Artistic Director helped realize the dreams of 17 people with and without developmental disabilities who participated in two unforgettable performances filled with creative energy.

The project created and promoted an experiential-based dance-theater performance opportunity for people with intellectual and developmental disabilities (I/DD). This unique learning and performing experience elevated, enabled and empowered the performers with I/DD to enjoy the rich experience of the arts.

For members of The Arc of Jackson County, it was a remarkable opportunity to blend the talents of people with mixed abilities and celebrate the diversity of the community.

They presented “Cinderella in Blue”—an original dance-theater production—kicking off with an open audition which allowed people to take part in a cultural experience they otherwise might not have been afforded.

## The Arc Advocates for Crime Victims with Disabilities

Hate crimes against people with disabilities is on the rise and according to statistics from the federal government's National Crime Victimization Survey, people with disabilities age 12 and over are 50% more likely to be victimized compared to those without disabilities.

As important as both research and legislation is in preventing violence against people with disabilities, these two approaches in and of themselves will do little to change attitudes. Often, it's societal bias, judgmental attitudes and stereotypes about those with disabilities that present the biggest barrier to justice.

In 2009, The Arc of Aurora in Colorado worked tirelessly to bring this issue to light within their local community and state. Through a grant from The Office for Victims of Crime (OVC), The Arc of Aurora provided training throughout the country to victim advocates and law enforcement professionals on how to provide effective services to crime victims with disabilities.

The Arc of Aurora also convened a statewide conference on this topic to educate professionals and advocates alike about the importance of reaching out to crime victims with disabilities who often have no one to advocate on their behalf.

This new national data coupled with the passage of *The Matthew Shepard Act*, which expands existing hate crime law to include crimes directed toward people with disabilities, brings hope to the countless number of people with disabilities who are affected, and often traumatized, by violent and abusive crimes every day.

The Arc not only supported *The Matthew Shepard Act*, but also advocated for the addition of disability to the National Crime Victimization Survey. This new data, which has never before been requested by victims in the United States, will allow The Arc to reach out to crime victims with disabilities in a more powerful and effective way.



Abuse and crime against people with disabilities are a hidden epidemic in our society. The human and civil rights of people with intellectual and developmental disabilities (I/DD) are at the heart of The Arc's advocacy. The Arc of Aurora in Colorado is bringing this issue out of the shadows by providing training to advocates and law enforcement professionals, and empowering crime victims with disabilities.

As important as both research and legislation is in preventing violence against people with disabilities, these two approaches in and of themselves will do little to change attitudes. Often, it's societal bias, judgmental attitudes and stereotypes about those with disabilities that present the biggest barrier to justice.



## 2009 Donor List

Every donation, large or small, enables The Arc to fulfill its mission to improve the lives of families and persons with intellectual and developmental disabilities throughout the United States. Thank you for helping us to make positive change in their lives.

### National Corporate Partners

Mutual of America  
MetLife

### Visionary Society

(\$1,000,000 and Higher)  
Consuelo Gonzales Bequest

### Innovators Institute

(\$100,000 - \$999,999)  
Anonymous

### Community of Philanthropists

(\$50,000 - \$99,999)  
Foundation of The Arc of the United States

### Activist's Alliance

(\$30,000 - \$49,999)  
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 Mr. John C. Williamson and Ms. Ivana Nizich  
 Mr. and Mrs. Joseph Wuest

### Pro-Bono Spotlight:

The Arc of the United States appreciates that, instead of monetary support, some organizations proved a contribution of services. We would like to add a heartfelt thank you to DLA Piper who in, 2009, provided more than 2,741.7 hours in pro-bono legal services—a contribution valued at \$1,215,250.50. Thanks to their generosity, we were able to review the status of waiting lists and access to services for people with I/DD in all 50 states and Washington, D.C., as well as obtain legal counsel and advice on estates and trusts and intellectual property matters. We look forward to sharing the results from our comprehensive study in the months to come.

### The Walmart Foundation

Thanks to a \$3 million grant from the Walmart Foundation, The Arc of the United States has awarded grants to 45 local chapters in support of a new initiative designed to help youth with intellectual and developmental disabilities. These Sub-grants were awarded as part of the Walmart Foundation School-to-Community Transition Project. The project aims to increase transition outcomes and to build inclusion and involvement of youth with intellectual and developmental disabilities in independent living, employment, post-secondary education or vocational training, and community, social and civic affairs. We look forward to replicating successful programs in the coming years.

### Endorsed Vendors:

Main Mobility  
 Mutual of America

### Affinity Partners:

Liberty Mutual  
 Marsh Insurance Services  
 U.S. Bank Credit Card

### Services provided by The Arc of the United States:

Car Donation Program (Melwood)

*Note: Donors listed are for the period January 1, 2009 through December 31, 2009. Although we make every effort to ensure the accuracy of our annual report, from time to time we may overlook someone. If we have done so, please accept our sincere apologies and contact us as soon as possible. We regret any oversights.*

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying combined statement of financial position of The Arc of the United States (The Arc) and The Foundation of the Arc of the United States (the Foundation), collectively the Organizations, as of December 31, 2009, and the related combined statements of activities and change in net assets, functional expenses and cash flows for the year then ended. These combined financial statements are the responsibility of the Organizations' management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit 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 combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organizations as of December 31, 2009, and their combined change in net assets and their combined cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Gelman Rosenberg & Freedman*

March 20, 2010

**THE ARC OF THE UNITED STATES  
THE FOUNDATION OF THE ARC OF THE UNITED STATES**

**COMBINED STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2009**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 3,733,091
Cash held for endowment (Note 11)*	271,360
Investments (Notes 2 and 10)*	5,052,360
Accounts receivable and advances, net of allowance for doubtful accounts of \$157,150	157,210
Grants receivable	171,030
Prepaid expenses	27,594
	<hr/>
Total current assets	9,412,645

**FIXED ASSETS**

Furniture and equipment	991,230
Less: Accumulated depreciation and amortization	(870,784)
	<hr/>
Net fixed assets	120,446

**OTHER ASSETS**

Other assets	22,373
Investment held for beneficial interest in perpetual trust (Notes 3 and 10)	1,026,389
	<hr/>
Total other assets	1,048,762

**TOTAL ASSETS**

**\$ 10,581,853**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable and accrued liabilities	\$ 510,464
Deferred revenue	3,000
Due to NCE (Note 6)*	32,451
Grants payable	6,456
	<hr/>
Total current liabilities	552,371

**NET ASSETS**

Unrestricted:	
Undesignated	274,141
Board-designated (Note 4)*	740,457
	<hr/>
Total unrestricted net assets	1,014,598
Temporarily restricted (Note 5)*	6,996,399
Permanently restricted (Note 11)*	2,018,485
	<hr/>
Total net assets	10,029,482

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 10,581,853**

\* Explanatory notes included in the full 2009 audited financial statement for The Arc of the United States are available at [www.thearc.org](http://www.thearc.org).

**THE ARC OF THE UNITED STATES  
THE FOUNDATION OF THE ARC OF THE UNITED STATES**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUE</b>				
Contributions	\$ 526,257	\$ 3,007,519	\$ -	\$ 3,533,776
Grants	289,232	-	-	289,232
Investment income (Note 2)*	135,849	533,618	-	669,467
Bequest income	-	3,043,097	-	3,043,097
Advertising	20,050	-	-	20,050
Contributed services (Note 9)*	1,256,510	-	-	1,256,510
Affiliation and chapter fees	2,077,810	-	-	2,077,810
Royalty income	79,078	-	-	79,078
Registration fees	388,111	-	-	388,111
Program service fees	375,920	-	-	375,920
Other income (loss)	1,393	-	-	1,393
Net gain in perpetual trust (Note 3)*	-	-	100,555	100,555
Net assets released from donor restrictions (Note 5)*	235,837	(235,837)	-	-
 Total revenue	 5,386,047	 6,348,397	 100,555	 11,834,999
 <b>EXPENSES</b>				
Program Services:				
Chapter Excellence	1,092,677	-	-	1,092,677
Public Education	811,274	-	-	811,274
Public Policy	2,341,503	-	-	2,341,503
 Total program services	 4,245,454	 -	 -	 4,245,454
Supporting Services:				
Management and General	566,770	-	-	566,770
Fundraising	410,679	-	-	410,679
 Total supporting services	 977,449	 -	 -	 977,449
 Total expenses	 5,222,903	 -	 -	 5,222,903
 Change in net assets	 163,144	 6,348,397	 100,555	 6,612,096
Net assets at beginning of year	851,454	648,002	1,917,930	3,417,386
 <b>NET ASSETS AT END OF YEAR</b>	 <b>\$ 1,014,598</b>	 <b>\$ 6,996,399</b>	 <b>\$ 2,018,485</b>	 <b>\$10,029,482</b>

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The Arc promotes and protects the human rights of people with intellectual and developmental disabilities and actively supports their full inclusion and participation in the community throughout their lifetimes.



CFC #11296



[bbb.org/charity](http://bbb.org/charity)



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