

**THE ENRICHMENT CENTER -
AN AFFILIATED CHAPTER OF THE ARC**

Financial Statements

June 30, 2021 and 2020

TABLE OF CONTENTS

Independent Auditors' Report.....	2
Statements of Financial Position	3
Statements of Activities	4 - 5
Statements of Functional Expenses.....	6 - 7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9 - 18

To the Board of Directors
The Enrichment Center - An Affiliated Chapter of the ARC
Winston-Salem, North Carolina

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of The Enrichment Center – An Affiliated Chapter of the ARC (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, 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 U.S. generally accepted accounting principles; 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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 Enrichment Center – An Affiliated Chapter of the ARC as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Butler & Burke LLP

Winston-Salem, North Carolina
October 13, 2021

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 1,634,033	\$ 1,312,611
Accounts receivable, net	244,360	116,312
Other receivables	14,917	12,261
Prepaid expenses	62,763	29,177
Property and equipment, net	1,772,163	1,892,443
Investments	497,087	259,719
Beneficial interests in assets held by others	<u>483,768</u>	<u>365,050</u>
<u>TOTAL ASSETS</u>	<u>\$ 4,709,091</u>	<u>\$ 3,987,573</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 111,373	\$ 84,137
Other liabilities	<u>776</u>	<u>12,363</u>
<u>Total Liabilities</u>	<u>112,149</u>	<u>96,500</u>
Net Assets		
Without donor restrictions		
Undesignated	2,319,711	1,600,427
Designated for property and equipment	1,772,163	1,892,443
Board designated for endowment	<u>205,235</u>	<u>139,896</u>
	4,297,109	3,632,766
With donor restrictions	<u>299,833</u>	<u>258,307</u>
<u>Total Net Assets</u>	<u>4,596,942</u>	<u>3,891,073</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 4,709,091</u>	<u>\$ 3,987,573</u>

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Public Support			
United Way contributions	\$ 96,874	\$ -	\$ 96,874
Other contributions	<u>322,846</u>	<u>879</u>	<u>323,725</u>
Total Public Support	<u>419,720</u>	<u>879</u>	<u>420,599</u>
Revenue			
Program fees	2,369,239	-	2,369,239
Craft sales	7,352	-	7,352
Investment income, net	358	-	358
Interest income	262	-	262
Change in value in beneficial interest	40,339	53,379	93,718
Unrealized gains on investments	37,010	-	37,010
Other	<u>2,665</u>	<u>-</u>	<u>2,665</u>
Total Revenue	<u>2,457,225</u>	<u>53,379</u>	<u>2,510,604</u>
Net assets released from restrictions	<u>12,732</u>	<u>(12,732)</u>	<u>-</u>
Total Support and Revenue	<u>2,889,677</u>	<u>41,526</u>	<u>2,931,203</u>
EXPENSES			
Program services	1,737,650	-	1,737,650
Management and general	453,638	-	453,638
Fundraising	<u>34,046</u>	<u>-</u>	<u>34,046</u>
Total Expenses	<u>2,225,334</u>	<u>-</u>	<u>2,225,334</u>
CHANGE IN NET ASSETS	664,343	41,526	705,869
Net Assets, Beginning of Year	<u>3,632,766</u>	<u>258,307</u>	<u>3,891,073</u>
Net Assets, End of Year	<u>\$ 4,297,109</u>	<u>\$ 299,833</u>	<u>\$ 4,596,942</u>

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT AND REVENUE			
Public Support			
United Way contributions	\$ 161,860	\$ -	\$ 161,860
Other contributions	137,482	5,750	143,232
Grants	<u>39,000</u>	<u>76,550</u>	<u>115,550</u>
Total Public Support	<u>338,342</u>	<u>82,300</u>	<u>420,642</u>
Revenue			
Program fees	2,342,283	-	2,342,283
Craft sales	24,824	-	24,824
Investment income, net	3,893	-	3,893
Interest income	11,101	-	11,101
Change in value in beneficial interest	(3,571)	(5,376)	(8,947)
Unrealized losses on investments	(251)	-	(251)
Other	<u>1,341</u>	<u>-</u>	<u>1,341</u>
Total Revenue	<u>2,379,620</u>	<u>(5,376)</u>	<u>2,374,244</u>
Net assets released from restrictions	<u>139,978</u>	<u>(139,978)</u>	<u>-</u>
Total Support and Revenue	<u>2,857,940</u>	<u>(63,054)</u>	<u>2,794,886</u>
EXPENSES			
Program services	2,512,559	-	2,512,559
Management and general	519,379	-	519,379
Fundraising	<u>58,723</u>	<u>-</u>	<u>58,723</u>
Total Expenses	<u>3,090,661</u>	<u>-</u>	<u>3,090,661</u>
CHANGE IN NET ASSETS	(232,721)	(63,054)	(295,775)
Net Assets, Beginning of Year	<u>3,865,487</u>	<u>321,361</u>	<u>4,186,848</u>
Net Assets, End of Year	<u>\$ 3,632,766</u>	<u>\$ 258,307</u>	<u>\$ 3,891,073</u>

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,125,708	\$ 266,310	\$ 21,043	\$ 1,413,061
Employee benefits	140,812	27,843	743	169,398
Payroll taxes	<u>81,247</u>	<u>17,621</u>	<u>1,626</u>	<u>100,494</u>
<u>Total Salaries and Related Expenses</u>	1,347,767	311,774	23,412	1,682,953
Professional fees	73,255	37,084	695	111,034
Office expense	33,965	11,796	7,081	52,842
Supplies	21,878	11,032	-	32,910
Telephone	19,032	5,851	147	25,030
Postage	1,247	1,835	461	3,543
Occupancy	19,389	3,554	140	23,083
Equipment rental	3,084	332	-	3,416
Advertising	160	-	-	160
Equipment repairs	16,763	13,210	82	30,055
Travel	35,712	698	22	36,432
Training and seminars	1,336	16,905	38	18,279
Dues and subscriptions	573	7,899	200	8,672
Insurance	26,471	13,137	171	39,779
Miscellaneous	<u>4,852</u>	<u>9,103</u>	<u>1,056</u>	<u>15,011</u>
<u>Total Expenses Before Depreciation</u>	1,605,484	444,210	33,505	2,083,199
Depreciation	<u>132,166</u>	<u>9,428</u>	<u>541</u>	<u>142,135</u>
<u>TOTAL EXPENSES</u>	<u>\$ 1,737,650</u>	<u>\$ 453,638</u>	<u>\$ 34,046</u>	<u>\$ 2,225,334</u>

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 1,659,284	\$ 309,029	\$ 35,169	\$ 2,003,482
Employee benefits	227,276	30,600	5,365	263,241
Payroll taxes	<u>123,173</u>	<u>23,225</u>	<u>2,611</u>	<u>149,009</u>
<u>Total Salaries and Related Expenses</u>	2,009,733	362,854	43,145	2,415,732
Professional fees	79,718	51,297	2,120	133,135
Office expense	33,961	13,667	6,193	53,821
Supplies	57,580	1,600	-	59,180
Telephone	34,413	4,504	1,096	40,013
Postage	1,855	1,095	1,024	3,974
Occupancy	27,763	2,160	476	30,399
Equipment rental	2,162	461	61	2,684
Equipment repairs	15,504	24,390	94	39,988
Travel	70,823	500	555	71,878
Training and seminars	2,910	989	308	4,207
Dues and subscriptions	306	11,140	375	11,821
Insurance	38,187	14,524	400	53,111
Miscellaneous	<u>15,625</u>	<u>21,359</u>	<u>416</u>	<u>37,400</u>
<u>Total Expenses Before Depreciation</u>	2,390,540	510,540	56,263	2,957,343
Depreciation	<u>122,019</u>	<u>8,839</u>	<u>2,460</u>	<u>133,318</u>
<u>TOTAL EXPENSES</u>	\$ 2,512,559	\$ 519,379	\$ 58,723	\$ 3,090,661

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
STATEMENTS OF CASH FLOWS
For The Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 705,869	\$ (295,775)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	142,135	133,318
Unrealized (gains) losses on investments	(37,010)	251
Change in value in beneficial interest	(93,718)	8,947
Allowance for uncollectible accounts	-	3,500
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(128,048)	147,716
Other receivables	(2,656)	(833)
Prepaid expenses	(33,586)	34,653
Increase (decrease) in:		
Accounts payable and accrued expenses	27,236	(47,759)
Other liabilities	(11,587)	(10,914)
<u>Net Cash Provided by (Used in) Operating Activities</u>	<u>568,635</u>	<u>(26,896)</u>
INVESTING ACTIVITIES		
Capital expenditures	(21,855)	(80,747)
Purchases of investments	(475,573)	(61,718)
Sales of investments	275,573	61,718
Reinvested investment income, net of fees	(358)	(3,893)
Beneficial interest additions	(25,000)	-
<u>Net Cash Used in Investing Activities</u>	<u>(247,213)</u>	<u>(84,640)</u>
Change in Cash and Cash Equivalents	321,422	(111,536)
Cash and Cash Equivalents at Beginning of Year	<u>1,312,611</u>	<u>1,424,147</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,634,033</u>	<u>\$ 1,312,611</u>

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC

NOTES TO FINANCIAL STATEMENTS

NOTE A: ORGANIZATION AND NATURE OF ACTIVITIES

The Enrichment Center - An Affiliated Chapter of the ARC (the "Center") is a non-profit organization organized under the laws of the state of North Carolina. It is located in Winston-Salem, North Carolina and offers training for mentally disabled adults in independent living and in development of special skills. The Center offers relief, support and education to parents and other family members of the intellectually and developmentally disabled and increases public awareness of the needs, as well as the potential, of intellectually and developmentally disabled adults.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Center have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles (GAAP). The Center reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - net assets that are not restricted by donors or for which donor-imposed restrictions have expired. If the board specifies a purpose where none has been stated, such funds are classified as board designated assets without donor restrictions.

Net assets with donor restrictions - net assets subject to donor-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.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on the net assets (i.e. donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturity dates of less than six months. These accounts at times may exceed federally insured limits. The Center has not experienced any losses on these accounts and management does not believe it is exposed to any significant credit risk.

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Promises to Give

Contributions and grants (promises to give) are recognized as revenues in the period the commitment is made. The Center records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contributions and grants revenue in the statements of activities. The Center determines an allowance for uncollectible promises to give based on historical experience, an assessment of the economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions upon which they depend are substantially met.

Accounts Receivable

Accounts receivable are recorded at net realizable value consisting of the carrying amount less the allowance for uncollectible accounts, as needed. The Center uses the allowance method to account for uncollectible receivable balances. Under the allowance method, if needed, an estimate of uncollectible balances is made based upon specific account balances that are considered uncollectible. The Center has determined that an allowance for uncollectible accounts of \$3,500 was considered necessary at June 30, 2021 and 2020, respectively.

Property and Equipment

Property and equipment are stated at cost, or at estimated fair value if donated. Depreciation is provided on a straight-line method over the estimated useful lives of the assets, generally from three to forty years.

Investments

The Center accounts for its investments in marketable securities with readily determinable fair values at their fair values in the statements of financial position. Investment income and realized and unrealized gains and losses are included in the change in net assets in the statements of activities. Expenses relating to investment income, including custodial fees and investment advisory fees, have been netted against investment income in the financial statements. Fees paid for investment advisory services amounted to \$3,111 and \$2,540 for the years ended June 30, 2021 and 2020, respectively.

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Beneficial Interests in Assets Held by Others

The Center has established a trust arrangement with the Winston-Salem Foundation (the "Foundation"), the purpose of which is to provide a permanent endowment to support the future needs of the Center. Donor contributions and monies designated by the Board have been irrevocably transferred to the Foundation, who will invest the funds and make quarterly earnings distributions, to the Center or an accumulated income fund within the endowment, in an amount determined by the Foundation. The Center has granted the Foundation variance power, the unilateral power to redirect the use of the assets, but has retained a right to the assets by specifying itself as the beneficiary. In accordance with GAAP, this endowment has been recognized as a beneficial interest in assets held by others in the accompanying statements of financial position at the current market value of the underlying investments held by the Foundation, which amounted to \$483,768 and \$365,050 for the years ended June 30, 2021 and 2020, respectively. The Center is not subject to the Uniform Prudent Management of Institutional Funds Act or the endowment disclosure requirements of FASB ASC 958-205-50 for these funds since control over the funds was relinquished to the Foundation.

Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received.

In-Kind Contributions

Contributions of assets other than cash are recorded at their estimated fair value. The Center reports revenue for the fair value of contributed services received where the services require specialized skills, are provided by individuals possessing these skills, and represent services that would have been purchased had they not been donated. Additionally, a substantial number of volunteers donate significant amounts of time to the Center; however, no amounts have been reflected in the financial statements for these services since the donated services do not meet the above conditions for recognition under GAAP.

Functional Allocation of Expenses

The costs of program and supporting services 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. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Accordingly, certain costs have been allocated between the programs and supporting services benefited. Directly identifiable expenses are charged to the appropriate programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of estimates of time and effort made by management. The primary expenses that are allocated include salary-related expenses and professional fees, which are allocated on the basis of estimates of time and effort, and occupancy and other office-related expenses, which are allocated on a square footage basis.

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC

NOTES TO FINANCIAL STATEMENTS

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax-Exempt Status

The Center is a not-for-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income tax expense is limited to activities that are deemed by the Internal Revenue Service to be unrelated to their exempt purpose.

The Center's primary tax positions relate to its status as a not-for-profit entity exempt from income taxes and classification of activities related to its exempt purpose. It is the opinion of management that the Center has no uncertain tax positions that would be subject to change upon examination.

The Center is required to file a federal exempt organization tax return (Form 990) annually to retain its exempt status. The Center is also required to file an exempt organization business income tax return (Form 990-T) for any year unrelated business income exceeds \$1,000. The Center's Form 990 filings are generally subject to examination by the Internal Revenue Service for three years after they are filed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

Subsequent Events

The Center has evaluated its subsequent events (events occurring after June 30, 2021) through the date of this report, which represents the date the financial statements were available to be issued and determined that all significant events and disclosures are included in the financial statements.

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
NOTES TO FINANCIAL STATEMENTS

NOTE C: LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use within one year of the balance sheet date, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,634,033	\$ 1,312,611
Accounts receivable, net	244,360	116,312
Other receivables	14,917	12,261
Investments	497,087	259,719
Beneficial interest in assets held by others	<u>483,768</u>	<u>365,050</u>
 Total financial assets	 2,874,165	 2,065,953
 Less those unavailable for general expenditure within one year due to:		
Purpose restrictions	(21,300)	(33,153)
Beneficial interest in assets held by others	<u>(483,768)</u>	<u>(365,050)</u>
 Financial assets available to meet cash needs for general expenditure within one year	 <u>\$ 2,369,097</u>	 <u>\$ 1,667,750</u>

The Center has a goal to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Center has a \$250,000 line of credit available to draw upon, if needed. Additionally, included in the beneficial interest in assets held by others are grantable funds totaling \$172,224 that could be requested for general expenditure, if needed.

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC

NOTES TO FINANCIAL STATEMENTS

NOTE D: FAIR VALUE MEASUREMENTS

Financial assets and liabilities required to be measured on a recurring basis (at least annually) are classified under a three-tier hierarchy. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date.

Assets and liabilities measured at fair value are categorized depending on the observability of the inputs employed in their measurement. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are observable inputs other than quoted prices included within Level 1 for the asset or liability, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that can be corroborated by observable data for substantially the full term of the assets or liabilities. Level 3 inputs are unobservable for the asset or liability, including the Center's own assumptions in determining the fair value of assets or liabilities.

Valuation techniques used in the fair value measurements need to maximize the use of observable inputs and minimize the use of unobservable inputs. A valuation method may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Center believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methodologies or assumptions could result in different fair value measurements at the reporting date.

The following is a description of the valuation methodologies used by the Center for assets measured at fair value:

Investments: Valued at the closing price reported on the active markets on which the individual securities are traded (level 1).

Beneficial Interest In Assets Held By Others: Equities and fixed income funds within the Winston-Salem Foundation (the Foundation) endowment pool are valued at the closing price reported on the active markets on which the individual securities are traded. Although the measurement is based on the unadjusted fair value of trust assets reported by the Foundation, the Center has irrevocably assigned the monies to the Foundation and is only able to redeem accumulated income that the Foundation has transferred to the grantable funds account within the endowment. Therefore, the Center considers the measurement of its beneficial interest in assets held by others to be a Level 3 measurement within the fair value hierarchy.

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
NOTES TO FINANCIAL STATEMENTS

NOTE D: FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Center's assets measured at fair value on a recurring basis as of June 30, 2021 and 2020:

Assets:	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Investments								
Money market and short-term reserve funds	\$ 95,369	\$ -	\$ -	\$ 95,369	\$ 6,365	\$ -	\$ -	\$ 6,365
Mutual funds								
Bond and fixed income funds								
Large Blend	-	-	-	-	3,956	-	-	3,956
World Bond	-	-	-	-	61,490	-	-	61,490
High Yield	-	-	-	-	2,369	-	-	2,369
Corporate Bond	-	-	-	-	7,605	-	-	7,605
Ultrashort	191,389	-	-	191,389	-	-	-	-
Emerging Markets	-	-	-	-	5,133	-	-	5,133
Exchange Traded	-	-	-	-	7,635	-	-	7,635
Intermediate Term	-	-	-	-	20,332	-	-	20,332
	<u>191,389</u>	<u>-</u>	<u>-</u>	<u>191,389</u>	<u>108,520</u>	<u>-</u>	<u>-</u>	<u>108,520</u>
Equity funds								
Domestic Large Blend	-	-	-	-	28,943	-	-	28,943
Domestic Large Growth	-	-	-	-	11,169	-	-	11,169
Domestic Mid-cap Blend	-	-	-	-	7,212	-	-	7,212
Domestic Large Value	-	-	-	-	57,764	-	-	57,764
Domestic Small Blend	-	-	-	-	3,060	-	-	3,060
Diversified Emerging Markets	-	-	-	-	7,568	-	-	7,568
Utilities	-	-	-	-	3,586	-	-	3,586
Healthcare	-	-	-	-	4,046	-	-	4,046
Preferred Stock	-	-	-	-	2,372	-	-	2,372
Foreign Large Blend	-	-	-	-	19,114	-	-	19,114
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,834</u>	<u>-</u>	<u>-</u>	<u>144,834</u>
Common stocks								
Basic Materials	3,708	-	-	3,708	-	-	-	-
Communication	17,996	-	-	17,996	-	-	-	-
Consumer Defense	16,585	-	-	16,585	-	-	-	-
Financial	58,374	-	-	58,374	-	-	-	-
Healthcare	44,015	-	-	44,015	-	-	-	-
Industrials	42,641	-	-	42,641	-	-	-	-
Real Estate	3,375	-	-	3,375	-	-	-	-
Technology	8,613	-	-	8,613	-	-	-	-
Utilities	15,022	-	-	15,022	-	-	-	-
	<u>210,329</u>	<u>-</u>	<u>-</u>	<u>210,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>497,087</u>	<u>-</u>	<u>-</u>	<u>497,087</u>	<u>259,719</u>	<u>-</u>	<u>-</u>	<u>259,719</u>
Beneficial Interest in Assets Held by Others	-	-	483,768	483,768	-	-	365,050	365,050
Total assets at fair value	<u>\$ 497,087</u>	<u>\$ -</u>	<u>\$ 483,768</u>	<u>\$ 980,855</u>	<u>\$ 259,719</u>	<u>\$ -</u>	<u>\$ 365,050</u>	<u>\$ 624,769</u>

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
NOTES TO FINANCIAL STATEMENTS

NOTE D: FAIR VALUE MEASUREMENTS (CONTINUED)

The table below sets forth a summary of changes in the fair value of the Center's level 3 assets for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 365,050	\$ 373,997
Additions	25,000	-
Change in value	<u>93,718</u>	<u>(8,947)</u>
Balance, end of year	<u>\$ 483,768</u>	<u>\$ 365,050</u>

NOTE E: INVESTMENTS

Investments at June 30, 2021 and 2020 are summarized as follows:

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 95,369	\$ 6,365
Bond and fixed income funds	191,389	108,520
Equity funds	-	144,834
Common stocks	<u>210,329</u>	<u>-</u>
	<u>\$ 497,087</u>	<u>\$ 259,719</u>

NOTE F: PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 82,438	\$ 82,438
Building	3,171,594	3,171,594
Furniture and equipment	<u>683,532</u>	<u>681,208</u>
	3,937,564	3,935,240
Less accumulated depreciation	<u>(2,165,401)</u>	<u>(2,042,797)</u>
	<u>\$ 1,772,163</u>	<u>\$ 1,892,443</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$142,135 and \$133,318, respectively.

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
NOTES TO FINANCIAL STATEMENTS

NOTE G: LINE OF CREDIT

The Center has a \$250,000 line of credit agreement with a bank, bearing interest on outstanding borrowings at the bank's prime rate minus 0.75% (not less than 2.50%), to be paid monthly, with maturity in June 2023. The agreement is subject to annual renewals. There was no outstanding balance on the line of credit at June 30, 2021 or 2020.

NOTE H: RETIREMENT PLAN

The Center has a 403(b) retirement plan (the Plan) for its employees. For the year ended June 30, 2021, the Center matched 100% up to 5% of participating employee's pay into the Plan. There were no retirement plan contributions for the years ended June 30, 2021 or 2020. The Center temporarily froze matching retirement plan contributions during the year ended June 30, 2020.

NOTE I: LEASES

The Center leases various office equipment under operating leases expiring through March 2022. Future minimum payments under noncancellable leases with initial or remaining terms of one year or more are as follows:

<u>Year ended June 30,</u> 2022	<u>\$ 801</u>
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Lease expense under all operating leases for the years ended June 30, 2021 and 2020 was \$2,251 and \$8,168, respectively.

THE ENRICHMENT CENTER - AN AFFILIATED CHAPTER OF THE ARC
NOTES TO FINANCIAL STATEMENTS

NOTE J: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purposes and/or passage of time:		
Leadership and planning	\$ 6,664	\$ 18,400
Wheelchair transportation	5,000	5,000
Sculpture Garden Stones	669	754
Parents Friends Organization	3,086	3,406
Visual art	1,930	1,930
Other	<u>3,951</u>	<u>3,663</u>
	<u>21,300</u>	<u>33,153</u>
Not subject to Center's spending policy or appropriation:		
Beneficial interest in assets held by others		
Held in perpetuity	129,450	129,450
Accumulated earnings	<u>149,083</u>	<u>95,704</u>
	<u>278,533</u>	<u>225,154</u>
	<u>\$ 299,833</u>	<u>\$ 258,307</u>