

THE ARC OF SOMERSET COUNTY, INC.

TAX RETURNS

FOR THE YEAR ENDED JUNE 30, 2014

(CLIENT COPY)





EisnerAmper LLP

111 Wood Avenue South
Iselin, NJ 08830-2700
Tel 732.243.7000 Fax 732.951.7400
www.eisneramper.com

THE ARC OF SOMERSET COUNTY, INC.
141 SOUTH MAIN STREET
MANVILLE, NJ 08835

ENCLOSED ARE THE ORIGINAL AND ONE COPY OF YOUR INCOME TAX RETURNS
FOR THE PERIOD ENDED JUNE 30, 2014 FOR:

THE ARC OF SOMERSET COUNTY, INC. AS FOLLOWS...

2013 990 - RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX
2013 SCHEDULE A - PUBLIC CHARITY STATUS AND PUBLIC SUPPORT
2013 SCHEDULE B - SCHEDULE OF CONTRIBUTORS
2013 SCHEDULE D - SUPPLEMENTAL FINANCIAL STATEMENTS
2013 SCHEDULE G - SUPPLEMENTAL INFO. REGARDING FUNDRAISING/GAMING
2013 SCHEDULE I - GRANTS & OTHER ASSIST. TO ORG/GOV/IND. IN THE U.S
2013 SCHEDULE J - COMPENSATION INFORMATION
2013 SCHEDULE O - SUPPLEMENTAL INFORMATION TO FORM 990 OR 990EZ
2013 SCHEDULE R - RELATED ORGANIZATIONS AND UNRELATED PARTNERSHIPS
2013 8879-EO - IRS E-FILE SIGNATURE AUTHORIZATION
2013 NEW JERSEY FORM CRI-300R - LONG FORM RENEWAL STATEMENT

EACH ORIGINAL SHOULD BE DATED, SIGNED AND FILED IN ACCORDANCE WITH
THE FILING INSTRUCTIONS. THE COPY SHOULD BE RETAINED FOR YOUR FILES.

THE ENCLOSED RETURNS WERE PREPARED PRIMARILY FROM DATA AND INFORMATION
WHICH YOU SUBMITTED. YOU SHOULD REVIEW THE RETURNS TO ENSURE THAT
THERE ARE NO OMISSIONS OR MISSTATEMENTS.

UPON AN AUDIT OF THE RETURN(S), REQUESTS MAY BE MADE FOR SUPPORTING
DOCUMENTATION. THEREFORE, WE RECOMMEND THAT YOU RETAIN ALL PERTINENT
RECORDS.

FORM 990 MUST BE MADE AVAILABLE FOR PUBLIC INSPECTION FOR A PERIOD
OF THREE YEARS, BEGINNING WITH THE DATE THE RETURN IS FILED. THE
AVAILABLE DOCUMENT MUST BE AN EXACT COPY OF THE RETURN AND SCHEDULES
(INCLUDING SCHEDULE B), AS FILED WITH THE IRS, EXCEPT THAT THE NAMES
AND THE ADDRESSES OF THE CONTRIBUTORS MAY BE EXCLUDED. ANY
ORGANIZATION THAT FAILS TO COMPLY WITH THIS PROVISION IS SUBJECT TO A
PENALTY OF \$20 FOR EACH DAY THAT INSPECTION IS NOT PERMITTED, UP TO A
MAXIMUM OF \$10,000. ANY ORGANIZATION THAT WILLFULLY FAILS TO COMPLY
SHALL BE SUBJECT TO AN ADDITIONAL PENALTY OF \$5,000. YOU ARE ALSO
REQUIRED TO PROVIDE COPIES OF THE RETURN IF YOU RECEIVE SUCH A
REQUEST. SHOULD YOU RECEIVE A REQUEST FOR INSPECTION OR FOR COPIES OF
YOUR RETURN, YOU MAY WANT TO CONTACT US FOR FURTHER DETAILS.

ANY ACT OF SELF-DEALING, THE MAKING OR RETAINING OF EXCESS BUSINESS
HOLDINGS, OR JEOPARDIZING INVESTMENTS, AND THE MAKING OF TAXABLE

EXPENDITURES MAY SUBJECT THE FOUNDATION TO PENALTY EXCISE TAXES OF FROM 5% TO 200% OF THE AMOUNT OF THE PROHIBITED TRANSACTION. PLEASE CONTACT US FOR FURTHER INFORMATION IF YOU HAVE QUESTIONS CONCERNING ANY OF THESE PROHIBITED TRANSACTIONS.

SINCERELY,

A handwritten signature in black ink, appearing to read "Rich. A. Sackin". The signature is fluid and cursive, with a large initial "R" and a long, sweeping underline.

RICHARD A SACKIN
EISNERAMPER LLP



EisnerAmper LLP

111 Wood Avenue South
Iselin, NJ 08830-2700
Tel 732.243.7000 Fax 732.951.7400
www.eisneramper.com

INSTRUCTIONS FOR FILING
THE ARC OF SOMERSET COUNTY, INC.
FORM 8879-EO - IRS E-FILE SIGNATURE AUTHORIZATION
FOR THE PERIOD ENDED JUNE 30, 2014

SIGNATURE...

THE ORIGINAL IRS E-FILE SIGNATURE AUTHORIZATION FORM SHOULD BE
SIGNED (USE FULL NAME) AND DATED BY THE TAXPAYER.

FILING...

RETURN YOUR SIGNED FORM 8879-EO TO:

EISNERAMPER LLP
111 WOOD AVE. SO., STE 600
ISELIN NJ 08830-2700

OR FAX YOUR SIGNED FORM 8879-EO TO:

EISNERAMPER LLP
TAX RETURN PROCESSING DEPARTMENT
732-951-7500

PAYMENT OF TAX...

NO PAYMENT OF TAX IS REQUIRED.

FORM 8879-EO SERVES AS A REPLACEMENT FOR YOUR SIGNATURE THAT WOULD BE
AFFIXED TO FORM 990 IF YOU PAPER FILED YOUR RETURN.
PLEASE DO NOT SEPARATELY FILE FORM 990 WITH THE INTERNAL REVENUE
SERVICE. DOING SO WILL DELAY THE PROCESSING OF YOUR RETURN.

WE MUST RECEIVE YOUR SIGNED FORM BEFORE WE CAN ELECTRONICALLY
TRANSMIT YOUR RETURN WHICH IS DUE ON FEBRUARY 16, 2015. WE
WOULD APPRECIATE YOUR RETURNING THIS FORM AS SOON AS POSSIBLE
AS THIS WILL EXPEDITE THE PROCESSING OF YOUR RETURN. THE INTERNAL
REVENUE SERVICE WILL NOTIFY US WHEN YOUR RETURN IS ACCEPTED.
YOUR RETURN IS NOT CONSIDERED FILED UNTIL THE INTERNAL REVENUE
SERVICE CONFIRMS THEIR ACCEPTANCE, WHICH MAY OCCUR AFTER THE DUE
DATE OF YOUR RETURN.

EFILE SIGNATURE AUTHORIZATION FORMS.....

New York | New Jersey | Pennsylvania | California | Cayman Islands

EisnerAmper is an independent member of PKF International Limited

SIGNED ELECTRONIC FORMS CAN ALSO BE FAXED
TO EISNERAMPER LLP AT 732-951-7500 OR EMAILED TO
NJEFIL@EISNERAMPER.COM

**IRS e-file Signature Authorization
for an Exempt Organization**

OMB No. 1545-1878

Department of the Treasury
Internal Revenue ServiceFor calendar year 2013, or fiscal year beginning 07/01, 2013, and ending 06/30, 2014▶ **Do not send to the IRS. Keep for your records.**▶ **Information about Form 8879-EO and its instructions is at www.irs.gov/form8879eo.****2013**

Name of exempt organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Name and title of officer

LAUREN PANARELLA, EXECUTIVE DIRECTOR**Part I Type of Return and Return Information (Whole Dollars Only)**

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a**, **2a**, **3a**, **4a**, or **5a**, below, and the amount on that line for the return being filed with this form was blank, then leave line **1b**, **2b**, **3b**, **4b**, or **5b**, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a Form 990 check here ▶ <input checked="" type="checkbox"/>	b Total revenue, if any (Form 990, Part VIII, column (A), line 12) . . .	1b <u>16941401.</u>
2a Form 990-EZ check here ▶ <input type="checkbox"/>	b Total revenue, if any (Form 990-EZ, line 9)	2b _____
3a Form 1120-POL check here ▶ <input type="checkbox"/>	b Total tax (Form 1120-POL, line 22)	3b _____
4a Form 990-PF check here ▶ <input type="checkbox"/>	b Tax based on investment income (Form 990-PF, Part VI, line 5),	4b _____
5a Form 8868 check here ▶ <input type="checkbox"/>	b Balance Due (Form 8868, Part I, line 3c or Part II, line 8c)	5b _____

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2013 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

☒ I authorize EISNERAMPER LLP to enter my PIN

4	4	2	9	3
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 as my signature
ERO firm name Enter five numbers, but do not enter all zeros

on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

☐ As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2013 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶

Date ▶

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

1	3	9	7	6	1	1	3	1	6	3
---	---	---	---	---	---	---	---	---	---	---

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2013 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163**, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶

EisnerAmper LLP

Date ▶

02/15/2015**ERO Must Retain This Form - See Instructions****Do Not Submit This Form To the IRS Unless Requested To Do So****For Paperwork Reduction Act Notice, see back of form.**Form **8879-EO** (2013)

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013**Open to Public
Inspection****A** For the 2013 calendar year, or tax year beginning

07/01, 2013, and ending

06/30, 2014

B Check if applicable:

- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization

THE ARC OF SOMERSET COUNTY, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address)

Room/suite

141 SOUTH MAIN STREET

City or town, state or province, country, and ZIP or foreign postal code

MANVILLE, NJ 08835

F Name and address of principal officer:

LAUREN PANARELLA

141 SOUTH MAIN STREET MANVILLE, NJ 08835

D Employer identification number

22-1968555

E Telephone number

(908) 252-6650

G Gross receipts \$ 16,987,220.**H(a)** Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶ 1162**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) () ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ WWW.THEARCOFSOMERSET.ORG**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 1972**M** State of legal domicile: NJ**Part I Summary****1** Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O**2** Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.**3** Number of voting members of the governing body (Part VI, line 1a) **3** 9.**4** Number of independent voting members of the governing body (Part VI, line 1b) **4** 9.**5** Total number of individuals employed in calendar year 2013 (Part V, line 2a) **5** 473.**6** Total number of volunteers (estimate if necessary) **6** 1,000.**7a** Total unrelated business revenue from Part VIII, column (C), line 12 **7a** 0**b** Net unrelated business taxable income from Form 990-T, line 34 **7b** 0

Revenue		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	16,061,883.	15,820,619.
9	Program service revenue (Part VIII, line 2g)	674,146.	740,952.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6,744.	807.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	144,752.	379,023.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	16,887,525.	16,941,401.

Expenses		Prior Year	Current Year
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	129,114.	120,533.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	12,206,094.	12,488,332.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 53,144.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	4,736,218.	4,654,246.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	17,071,426.	17,263,111.
19	Revenue less expenses. Subtract line 18 from line 12	-183,901.	-321,710.

Net Assets or Fund Balances		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	6,904,969.	6,525,406.
21	Total liabilities (Part X, line 26)	5,294,454.	6,254,771.
22	Net assets or fund balances. Subtract line 21 from line 20.	1,610,515.	270,635.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

Date



LAUREN PANARELLA

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name

RICHARD A SACKIN

Preparer's signature

Date

Check ☐ if self-employed

PTIN

P00184276

Firm's name ▶ EISNERAMPER LLP

Firm's EIN ▶ 13-1639826

Firm's address ▶ 111 WOOD AVE. SO., STE 600 ISELIN, NJ 08830-2700

Phone no. 732-243-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2013)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐ Yes ☒ No**1** Briefly describe the organization's mission:

THE ARC OF SOMERSET COUNTY PROVIDES QUALITY SERVICES AND ADVOCACY FOR
INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES AND
THEIR FAMILIES TO SUPPORT DEVELOPMENT AND ACHIEVEMENT AT EVERY STAGE
OF LIFE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 10,275,861. including grants of \$) (Revenue \$ 9,541,750.)

RESIDENTIAL SERVICES: THE ARC OF SOMERSET OFFERS A WIDE RANGE OF
RESIDENTIAL SERVICES TAILORED TO THE INDIVIDUAL NEEDS OF EACH
INDIVIDUAL SERVED. GROUP HOMES, SUPERVISED APARTMENTS AND
SUPPORTED LIVING PROGRAMS ARE LOCATED IN 27 LOCATIONS THROUGHOUT
SOMERSET COUNTY. THE ARC OF SOMERSET COUNTY CURRENTLY OPERATES 14
GROUP HOMES PROVIDING SERVICES TO OVER 74 CONSUMERS. IN ADDITION,
THE ARC OF SOMERSET COUNTY'S SUPERVISED APARTMENT PROVIDES 34
INDIVIDUALS WITH THE OPPORTUNITY TO LIVE IN THEIR OWN APARTMENTS
(WITH OR WITHOUT AN "APARTMENT MATE") IN A MORE INDEPENDENT
SETTING. IN THE SUPPORTED LIVING PROGRAM, 10 INDIVIDUALS LIVE
INDEPENDENTLY IN THE COMMUNITY.

4b (Code:) (Expenses \$ 1,323,030. including grants of \$) (Revenue \$ 1,375,083.)

EARLY INTERVENTION PROGRAM: THIS PROGRAM PROVIDES EDUCATIONAL,
THERAPEUTIC AND RECREATIONAL PROGRAMS FOR CHILDREN FROM BIRTH
THROUGH THREE YEARS OF AGE. THROUGH THIS PROGRAM, HIGHLY
CREDENTIALLED THERAPISTS AND TEACHERS PROVIDE COMPREHENSIVE
SERVICES TO YOUNG CHILDREN WITH SPECIAL NEEDS AND/OR DEVELOPMENTAL
DELAYS. CURRENTLY, THE PROGRAM SERVICES 180 CHILDREN ON A MONTHLY
BASIS - BOTH HOME AND CENTER BASED.

4c (Code:) (Expenses \$ 3,792,880. including grants of \$) (Revenue \$ 4,479,426.)

EMPLOYMENT SERVICES: THE ARC OF SOMERSET COUNTY CURRENTLY
PROVIDES OPPORTUNITIES AND TRAINING TO OVER 260 INDIVIDUALS. THIS
DIVERSE AND DEDICATED WORKFORCE SERVES SOMERSET COUNTY AREA
BUSINESSES IN A WIDE VARIETY OF FIELDS, SUCH AS MEDICAL SUPPLIES,
DIRECT MAIL, PACKAGING, OFFICE JANITORIAL AND COSMETICS. SOME
INDIVIDUALS ARE EMPLOYED DIRECTLY BY THESE BUSINESSES AT THEIR
LOCATIONS IN THE COMMUNITY, WHILE OTHERS WORK AT ONE OF THE
AGENCY'S FOUR WORK CENTERS DEPENDING ON THE NEEDS OF EACH
INDIVIDUAL AND BUSINESS.

4d Other program services (Describe in Schedule O.)

(Expenses \$ 1,615,322. including grants of \$ 120,533.) (Revenue \$)

4e Total program service expenses 17,007,093.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	X
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d X	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	X
22 Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22	X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	X
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a.</i>	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25 a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>	25b	X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payable to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II.	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	28a	X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	28b	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	34	X
35 a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a	X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	35b	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	38	X

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Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. 1a 47		
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable. 1b 0		
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return. 2a 473		
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	X	
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?		X
3b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If "Yes," enter the name of the foreign country: See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		X
6b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	X	
7b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	X	
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		X
7d	If "Yes," indicate the number of Forms 8282 filed during the year		
7e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		X
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		X
7g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
7h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make a distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
13a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.		
13b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
13c	Enter the amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?		X
14b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response or note to any line in this Part VI ☒ X**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year		
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b Enter the number of voting members included in line 1a, above, who are independent		
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person? . .		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6 Did the organization have members or stockholders?	X	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?		X
10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? . .		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? .	X	
11b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13 Did the organization have a written whistleblower policy?	X	
14 Did the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
b Other officers or key employees of the organization	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ☒ NJ, _____

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ☒ ACCOUNTING DEPARTMENT 141 SOUTH MAIN STREET MANVILLE, NJ 08835 908-725-8544

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII. ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ERIC MANDELBAUM BOARD MEMBER	1.00	X						0	0	0
(2) RON SLAHETKA PRESIDENT	1.00	X		X				0	0	0
(3) TARUN SHAH BOARD MEMBER	1.00	X						0	0	0
(4) CHARLES HUCK BOARD MEMBER	1.00	X						0	0	0
(5) WILLIAM MACKAY BOARD MEMBER	1.00	X						0	0	0
(6) DEBRA ALBANESE SECRETARY	1.00	X		X				0	0	0
(7) TIM MCKEOWN VICE PRESIDENT	1.00	X		X				0	0	0
(8) JAY REYES BOARD MEMBER	1.00	X						0	0	0
(9) STEFANIE IRWIN TREASURER	1.00	X		X				0	0	0
(10) LAUREN PANARELLA EXEC DIRECTOR & DIR OF FINANCE	40.00			X				123,900.	0	30,552.
(11) CHRISTOPHER CORVINO ASSOCIATE EXECUTIVE DIRECTOR	40.00			X				83,970.	0	18,164.
(12)										
(13)										
(14)										

[illegible]

	Yes	No
3		X
4	X	
5		X

(A) Name and business address	(B) Description of services	(C) Compensation

2	Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization	0
---	--	---

Part VIII**Statement of Revenue**Check if Schedule O contains a response or note to any line in this Part VIII. ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions) . .	1e	15,589,426.			
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f	231,193.			
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f		15,820,619.			
Program Service Revenue	2a	CONTRACT PROJECTS AND OTHER GRANTS	Business Code 624310	283,925.	283,925.		
	b	CAMP JOTONI TUITION	624100	255,133.	255,133.		
	c	DAY CARE PROGRAM FEES	624410	201,894.	201,894.		
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		740,952.			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 1		807.		
4		Income from investment of tax-exempt bond proceeds		0			
5		Royalties		0			
			(i) Real (ii) Personal				
6a		Gross rents					
b		Less: rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)		0			
7a		Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
b		Less: cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)		0			
8a		Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a	124,389.			
b		Less: direct expenses	b	45,819.			
c		Net income or (loss) from fundraising events	ATTCH 2	78,570.			78,570.
9a	Gross income from gaming activities. See Part IV, line 19	a					
b	Less: direct expenses	b					
c	Net income or (loss) from gaming activities		0				
10a	Gross sales of inventory, less returns and allowances	a					
b	Less: cost of goods sold	b					
c	Net income or (loss) from sales of inventory		0				
Miscellaneous Revenue			Business Code				
11a	OTHER REVENUE	900099	300,453.	300,453.			
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		300,453.				
12	Total revenue. See instructions		16,941,401.	1,041,405.		79,377.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 .	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	120,533.	120,533.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16.	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	216,915.	88,935.	74,836.	53,144.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	9,342,112.	7,541,139.	1,800,973.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	340,974.	274,063.	66,911.	
9 Other employee benefits	1,884,733.	1,514,884.	369,849.	
10 Payroll taxes	703,598.	565,528.	138,070.	
11 Fees for services (non-employees):				
a Management	0			
b Legal	0			
c Accounting	0			
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	1,292,182.	1,070,325.	221,857.	
12 Advertising and promotion	0			
13 Office expenses	577,941.	520,090.	57,851.	
14 Information technology	0			
15 Royalties	0			
16 Occupancy	979,627.	868,374.	111,253.	
17 Travel	684,624.	668,965.	15,659.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	58,183.		58,183.	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	459,687.	396,522.	63,165.	
23 Insurance	181,757.	160,076.	21,681.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a OTHER	263,714.	96,279.	167,435.	
b COMMUNICATIONS	156,531.	125,586.	30,945.	
c ALLOCATED EXPENSES		2,995,794.	-2,995,794.	
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	17,263,111.	17,007,093.	202,874.	53,144.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	0	1	0
	2 Savings and temporary cash investments	852,464.	2	1,366,386.
	3 Pledges and grants receivable, net	404,588.	3	275,315.
	4 Accounts receivable, net	188,048.	4	72,929.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	0	8	0
	9 Prepaid expenses and deferred charges	182,836.	9	67,506.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 12,764,192.		
	b Less: accumulated depreciation	10b 8,435,642.	4,597,090.	10c 4,328,550.
	11 Investments - publicly traded securities	261,376.	11	0
	12 Investments - other securities. See Part IV, line 11	0	12	0
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	418,567.	15	414,720.
16 Total assets. Add lines 1 through 15 (must equal line 34)	6,904,969.	16	6,525,406.	
Liabilities	17 Accounts payable and accrued expenses	1,521,509.	17	1,552,265.
	18 Grants payable	0	18	0
	19 Deferred revenue	140,070.	19	183,477.
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	3,606,736.	23	4,159,139.
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	26,139.	25	359,890.
	26 Total liabilities. Add lines 17 through 25	5,294,454.	26	6,254,771.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,463,136.	27	109,501.
	28 Temporarily restricted net assets	147,379.	28	161,134.
	29 Permanently restricted net assets	0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	1,610,515.	33	270,635.
	34 Total liabilities and net assets/fund balances	6,904,969.	34	6,525,406.

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Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response or note to any line in this Part XI ☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	16,941,401.
2	Total expenses (must equal Part IX, column (A), line 25)	2	17,263,111.
3	Revenue less expenses. Subtract line 2 from line 1	3	-321,710.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,610,515.
5	Net unrealized gains (losses) on investments	5	42,878.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	-605,787.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-455,261.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	270,635.

Part XII Financial Statements and ReportingCheck if Schedule O contains a response or note to any line in this Part XII ☐

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form **990** (2013)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

2013

Open to Public Inspection

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III-Functionally integrated d ☐ Type III-Non-functionally integrated
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box. ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐
- (ii) A family member of a person described in (i) above? ☐
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2013

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	15,399,429.	15,555,020.	16,083,820.	16,061,883.	15,820,619.	78,920,771.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3.	15,399,429.	15,555,020.	16,083,820.	16,061,883.	15,820,619.	78,920,771.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						0
6 Public support. Subtract line 5 from line 4.						78,920,771.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	15,399,429.	15,555,020.	16,083,820.	16,061,883.	15,820,619.	78,920,771.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	15,054.	9,129.	6,987.	6,744.	807.	38,721.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0
11 Total support. Add lines 7 through 10.						78,959,492.
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	99.95 %
15 Public support percentage from 2012 Schedule A, Part II, line 14	15	99.91 %
16a 33 1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

b 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule of Contributors

OMB No. 1545-0047

2013

▶ **Attach to Form 990, Form 990-EZ, or Form 990-PF.**

▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

☒ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of **(1)** \$5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization THE ARC OF SOMERSET COUNTY, INC.**Employer identification number**
22-1968555**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	NJ DEPARTMENT OF HUMAN SERVICES (DDD) 222 SOUTH WARREN ST, PO BOX 700 TRENTON, NJ 08625-0700	\$ 13,465,485.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	NJ DEPT. OF HEALTH & SENIOR SERVICES EIP PO BOX 364 TRENTON, NJ 08625-0364	\$ 1,307,892.	Person <input checked="checked" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$ -----	-----

Name of organization THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part III **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry.For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ► \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
	(e) Transfer of gift		
-----	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	-----		-----
	-----		-----
	-----		-----
-----	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
	(e) Transfer of gift		
-----	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	-----		-----
	-----		-----
	-----		-----
-----	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
	(e) Transfer of gift		
-----	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	-----		-----
	-----		-----
	-----		-----
-----	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
	(e) Transfer of gift		
-----	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	-----		-----
	-----		-----
	-----		-----

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Supplemental Financial Statements

Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public
Inspection

Employer identification number

22-1968555

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2013

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** ☐ Public exhibition **d** ☐ Loan or exchange programs
b ☐ Scholarly research **e** ☐ Other _____
c ☐ Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII. ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		626,042.		626,042.
b Buildings		7,729,466.	4,837,291.	2,892,175.
c Leasehold improvements		124,444.	73,153.	51,291.
d Equipment		3,906,629.	3,450,199.	456,430.
e Other		377,610.	74,998.	302,612.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				4,328,550.

Schedule D (Form 990) 2013

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) INTERCOMPANY RECEIVABLE	347,000.
(2) MORTGAGE FINANCE COSTS	44,560.
(3) OTHER ASSETS	23,160.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	414,720.

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) INTERCOMPANY DEMAND LOAN PAYAB	359,890.	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	359,890.	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIII Supplemental Information (continued)

PART X, LINE 2:

MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN BY THE ORGANIZATION, AND HAS CONCLUDED THAT AS OF JUNE 30, 2014, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY OR DISCLOSURE IN THE CONSOLIDATED FINANCIAL STATEMENTS. THE ORGANIZATION HAS RECOGNIZED ACCRUED INTEREST AND PENALTIES ASSOCIATED WITH UNCERTAIN TAX POSITIONS, IF ANY. THERE WAS NO INCOME TAX-RELATED INTEREST OR PENALTIES RECORDED FOR THE YEAR ENDED JUNE 30, 2014. THE INCOME TAX RETURNS OF THE ORGANIZATION FOR THE YEARS ENDED JUNE 30, 2013, 2012 AND 2011 ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE AND OTHER TAXING AUTHORITIES, GENERALLY FOR THREE YEARS AFTER THEY WERE FILED.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Employer identification number

22-1968555

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | |
|--|---|
| a <input type="checkbox"/> Mail solicitations | e <input type="checkbox"/> Solicitation of non-government grants |
| b <input type="checkbox"/> Internet and email solicitations | f <input type="checkbox"/> Solicitation of government grants |
| c <input type="checkbox"/> Phone solicitations | g <input type="checkbox"/> Special fundraising events |
| d <input type="checkbox"/> In-person solicitations | |

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Total

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events
		WINTERTIME GALA (event type)	ARC WALK (event type)	(total number)	(add col. (a) through col. (c))
Revenue	1 Gross receipts	88,634.	35,755.		124,389.
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2).	88,634.	35,755.		124,389.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	25,638.	1,043.		26,681.
	8 Entertainment	4,000.			4,000.
	9 Other direct expenses	9,831.	5,307.		15,138.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				45,819.
11 Net income summary. Subtract line 10 from line 3, column (d)				78,570.	

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	<input type="checkbox"/> Yes _____% <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

- 11** Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity operated in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► _____

Address ► _____

- 15 a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____.
- c** If "Yes," enter name and address of the third party:

Name ► _____

Address ► _____

16 Gaming manager information:

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ _____

Part IV **Supplemental Information.** Provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**SCHEDULE I
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

► Attach to Form 990.

► Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Employer identification number

22-1968555

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) _____							
(2) _____							
(3) _____							
(4) _____							
(5) _____							
(6) _____							
(7) _____							
(8) _____							
(9) _____							
(10) _____							
(11) _____							
(12) _____							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ►

3 Enter total number of other organizations listed in the line 1 table ►

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2013)

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PAGE 30

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 FAMILY ASSISTANCE - IN HOME RESPITE	45.	115,486.		N/A	N/A
2 SCHOLARSHIP ASSISTANCE TO FAMILIES	70.	5,047.		N/A	N/A
3					
4					
5					
6					
7					

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

990 SCH I PART IV

ALL FAMILY ASSISTANCE - IN HOME RESPITE FAMILIES ARE APPROVED BY A NJ
DIVISION OF DEVELOPMENTAL DISABILITIES CASE WORKER. ALL STIPEND PAYMENTS
FOR THIS PROGRAM ARE REVIEWED BY AN ARC OF SOMERSET COUNTY STAFF MEMBER.
ONCE THIS DOCUMENTATION HAS BEEN APPROVED BY MANAGEMENT, A CHECK IS
PREPARED, SIGNED AND MAILED TO THE FAMILY RECEIVING ASSISTANCE. ALL
SCHOLARSHIP ASSISTANCE PAYMENTS ARE PRE-APPROVED BY AN ARC STAFF MEMBER,
REVIEWED AND APPROVED BY MANAGEMENT AND CREDITED TO OUTSTANDING DAY CARE
PROGRAM INVOICES FOR THE CHILD FOR WHOM SERVICES WERE PROVIDED.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

- Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
► Attach to Form 990. ► See separate instructions.
► Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? **4a**
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c**
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a**
- b** Any related organization? **5b**
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a**
- b** Any related organization? **6b**
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2		
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2013

Schedule J (Form 990) 2013

Page **2****Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 LAUREN PANARELLA EXEC DIRECTOR & DIR OF FINANCE	(i)	123,900.	0	0	7,546.	23,006.	154,452.	
	(ii)	0	0	0				
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Schedule J (Form 990) 2013

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART II, COL (E), LINE 1

THE NONTAXABLE BENEFITS OF \$23,006 TOWARDS HER MEDICAL INSURANCE PAYMENT.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.**

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

OTHER PROGRAM SERVICES

OTHER PROGRAMS RUN BY THE ORGANIZATION INCLUDE: CAMP JOTONI, FAMILY
SUPPORT SERVICES, DAY CARE, PACT, AFTER SCHOOL/AFTER WORK, CLINICAL
SUPPORT SERVICES AND OTHER VARIOUS PROGRAMS.

FORM 990, PART VI, SECTION A, LINE 6:

MEMBERS ARE BROKEN INTO TWO CLASSES, VOTING AND NON-VOTING. VOTING
MEMBERS IN GOOD STANDING ARE ELIGIBLE TO VOTE ON ALL ACTIONS BROUGHT
BEFORE THE MEMBERSHIP AT ANY DULY CONSTITUTED MEETING. STAFF EMPLOYED BY
THE ARC ARE ELIGIBLE FOR NON-VOTING, NON-OFFICE HOLDING MEMBERSHIP.

FORM 990, PART VI, SECTION A, LINE 7A:

ALL MEMBERS MUST BE DUES-PAYING MEMBERS. ALL VOTING MEMBERS HAVE THE
RIGHT TO VOTE ON ALL ACTIONS BROUGHT BEFORE THE MEMBERSHIP, SUCH AS THE
ANNUAL ELECTION OF OFFICERS AND DIRECTORS, BY-LAW CHANGES SUBMITTED TO
THE MEMBERSHIP FOR RATIFICATION, AND OTHER BUSINESS BROUGHT TO THE
MEMBERSHIP FOR CONSIDERATION. AT THE ANNUAL BUSINESS MEETING IN JUNE,
WHICH CANNOT BE WAIVED, THE MEMBERS ELECT ALL OFFICERS AND DIRECTORS.
SPECIAL MEMBERSHIP MEETINGS MAY BE CALLED WITH PROPER NOTICE. NON-VOTING
MEMBERS ARE ELIGIBLE TO ATTEND MEMBERSHIP MEETINGS, BUT ARE NOT ALLOWED
TO VOTE.

FORM 990, PART VI, SECTION B, LINE 11:

THE ARC OF SOMERSET COUNTY HAD ITS ANNUAL FY 2013 FORM 990 PREPARED BY

Name of the organization THE ARC OF SOMERSET COUNTY, INC.	Employer identification number 22-1968555
--	--

EISNERAMPER, LLP, AN OUTSIDE ACCOUNTING FIRM. UPON COMPLETION OF THE FORM 990, IT WAS REVIEWED BY MANAGEMENT, INCLUDING, BUT NOT LIMITED TO, THE EXECUTIVE DIRECTOR, ASSOCIATE EXECUTIVE DIRECTOR, AND DIRECTOR OF FINANCE. UPON COMPLETION OF THIS REVIEW, THE FORM 990 WAS SUBMITTED ELECTRONICALLY, TO MEMBERS OF THE FINANCE COMMITTEE FOR THEIR REVIEW AND WAS DISCUSSED AT THEIR DECEMBER MEETING AND OR SPECIAL FINANCE COMMITTEE MEETING. THIS DRAFT DOCUMENT WITH ANY CHANGES WAS SUBMITTED ELECTRONICALLY TO THE BOARD OF DIRECTORS AT LEAST FIVE (5) BUSINESS DAYS PRIOR TO THEIR SCHEDULE BOARD MEETING IN JANUARY. THE FORM 990 WAS REVIEWED WITH THE BOARD OF DIRECTORS AT THIS MEETING. ANY CHANGES SUGGESTED BY THE BOARD WERE SUMMARIZED BY THE DIRECTOR OF FINANCE AND THEN FORWARDED TO OUR AUDIT FIRM FOR COMMENT. EACH ISSUE OR CONCERN WILL BE DOCUMENTED AND ADDRESSED UNTIL THE FORM 990 IS FINALIZED, APPROVED, AND SIGNED FOR FILING BY THE DIRECTOR OF FINANCE.

FORM 990, PART VI, SECTION B, LINE 12C:

THE CONFLICT OF INTEREST POLICY IS PROVIDED TO ALL BOARD MEMBERS AT THE TIME OF THEIR NOMINATION TO THE BOARD. BOARD MEMBERS ARE REQUIRED TO SIGN OFF ON THE "BOARD OF EXPECTATIONS" DOCUMENT THAT INCLUDES A CONFLICT OF INTEREST STATEMENT AND A CODE OF ETHICS. BOARD MEMBERS SIGNED OFF ON THE AGENCY'S "CODE OF CONDUCT POLICY" WHICH INCLUDES OUR AGENCY CONFLICT OF INTEREST POLICY. THIS POLICY, AND THE COMPLIANCE OF OUR BOARD MEMBERS, WILL BE MONITORED BY THE BOARD PRESIDENT, WHO WILL ADDRESS POTENTIAL CONFLICTS WITH OUR BOARD OF DIRECTORS, SHOULD THEY ARISE.

FORM 990, PART VI, SECTION B, LINE 15:

EXECUTIVE COMPENSATION IS DETERMINED BASED UPON THE JOB DESCRIPTION, THE

Name of the organization THE ARC OF SOMERSET COUNTY, INC.	Employer identification number 22-1968555
--	--

EXPERIENCE AND THE EDUCATIONAL BACKGROUND OF THE CANDIDATE AND COMPARATIVE SALARY DATA (THE JOB TITLE IS COMPARED WITH INDUSTRY AND GEOGRAPHIC LOCATION). THE ARC OF SOMERSET COUNTY SALARY SURVEY INFORMATION FOR THE EXECUTIVE DIRECTOR WAS OBTAINED FROM SEVERAL SOURCES INCLUDING THE FOLLOWING: 1) WWW.PAYSCALE.COM 2) WWW.SALARY.COM 3) NJ ASSOCIATION OF COMMUNITY PROVIDERS AND 4) NJ ARC SALARY SURVEY. BASED UPON THE ABOVE INFORMATION, A SALARY RANGE WAS DEVELOPED TO PROVIDE CONTINUITY, FAIRNESS AND CONSISTENCY TO THE ORGANIZATION'S COMPENSATION AND RATIONALE FOR THE POSITION. ONCE THE RANGE IS DEVELOPED, THE BOARD OF DIRECTORS TAKES INTO ACCOUNT THE EXECUTIVE DIRECTOR CANDIDATE'S LEVEL OF EDUCATION AND EXPERIENCE TO MAKE A FINAL SALARY AND COMPENSATION RECOMMENDATION TO THE HUMAN RESOURCES AND COMPENSATION COMMITTEE. IF THE COMMITTEE AGREES WITH THE RECOMMENDATION, THE SALARY AND COMPENSATION RECOMMENDATION IS BROUGHT TO THE BOARD OF DIRECTORS FOR A VOTE.

FORM 990, PART VI, SECTION C, LINE 19:

THE ARC OF SOMERSET COUNTY'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 5:

NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS 42,878

FORM 990, PART XII, LINE 2C:

FOR THE YEAR ENDED JUNE 30, 2014, THE ORGANIZATION HAS APPOINTED THE BOARD OF DIRECTORS TO ASSUME THE RESPONSIBILITY FOR THE OVERSIGHT OF THE

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

AUDIT OF ITS FINANCIAL STATEMENTS AND SELECTION OF THE INDEPENDENT ACCOUNTANT.

FORM 990, PART I, LINE 1:

THE ARC OF SOMERSET COUNTY PROVIDES QUALITY SERVICES AND ADVOCACY FOR INDIVIDUALS WITH DEVELOPMENTAL AND INTELLECTUAL DISABILITIES AND THEIR FAMILIES TO SUPPORT DEVELOPMENT AND ACHIEVEMENT AT EVERY STAGE OF LIFE.

FORM 990, PART XI, LINE 9:

THE ORGANIZATION TRANSFERRED CASH AND INVESTMENTS OF \$452,628 TO ARC FOUNDATION OF SOMERSET COUNTY INC (EIN: 30-0205474) DURING THE FISCAL YEAR ENDING 6/30/2014. ARC FOUNDATION OF SOMERSET COUNTY INC IS A RELATED ENTITY.

ATTACHMENT 1

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INVESTMENT INCOME	807.			807.
TOTALS	<u>807.</u>			<u>807.</u>

ATTACHMENT 2

FORM 990, PART VIII - FUNDRAISING EVENTS

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES	NET INCOME
FUNDRAISING	124,389.	45,819.	78,570.
TOTALS	<u>124,389.</u>	<u>45,819.</u>	<u>78,570.</u>

**SCHEDULE R
(Form 990)**Department of the Treasury
Internal Revenue Service**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ See separate instructions.

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013**Open to Public
Inspection**

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) -----					
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ARC COMMUNITY HOUSING OPPORTUNITIES 22-3470776 141 SOUTH MAIN STREET MANVILLE, NJ 08835	LOW INCOME	NJ	501 (C) (3)	LINE 9	N/A	X	
(2) ARC HOUSING OF SOMERSET, INC. 22-2813769 141 SOUTH MAIN STREET MANVILLE, NJ 08835	LOW INCOME	NJ	501 (C) (3)	LINE 7	N/A	X	
(3) SOMERSET ARC APARTMENTS, INC. 22-2537989 141 SOUTH MAIN STREET MANVILLE, NJ 08835	LOW INCOME	NJ	501 (C) (3)	LINE 7	N/A	X	
(4) ARC FOUNDATION OF SOMERSET COUNTY 30-0205474 141 SOUTH MAIN STREET MANVILLE, NJ 08835	LOW INCOME	NJ	501 (C) (3)	LINE 7	N/A	X	
(5) -----							
(6) -----							
(7) -----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2013

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) _____												
(2) _____												
(3) _____												
(4) _____												
(5) _____												
(6) _____												
(7) _____												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percen- tage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) _____									
(2) _____									
(3) _____									
(4) _____									
(5) _____									
(6) _____									
(7) _____									

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a	X
b Gift, grant, or capital contribution to related organization(s)	1b	X
c Gift, grant, or capital contribution from related organization(s)	1c	X
d Loans or loan guarantees to or for related organization(s)	1d	X
e Loans or loan guarantees by related organization(s)	1e	X
f Dividends from related organization(s)	1f	X
g Sale of assets to related organization(s)	1g	X
h Purchase of assets from related organization(s)	1h	X
i Exchange of assets with related organization(s)	1i	X
j Lease of facilities, equipment, or other assets to related organization(s)	1j	X
k Lease of facilities, equipment, or other assets from related organization(s)	1k	X
l Performance of services or membership or fundraising solicitations for related organization(s)	1l	X
m Performance of services or membership or fundraising solicitations by related organization(s)	1m	X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	1n	X
o Sharing of paid employees with related organization(s)	1o	X
p Reimbursement paid to related organization(s) for expenses	1p	X
q Reimbursement paid by related organization(s) for expenses	1q	X
r Other transfer of cash or property to related organization(s)	1r	X
s Other transfer of cash or property from related organization(s)	1s	X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) -----													
(2) -----													
(3) -----													
(4) -----													
(5) -----													
(6) -----													
(7) -----													
(8) -----													
(9) -----													
(10) -----													
(11) -----													
(12) -----													
(13) -----													
(14) -----													
(15) -----													
(16) -----													

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

**Application for Extension of Time To File an
Exempt Organization Return**

OMB No. 1545-1709

► **File a separate application for each return.**
► **Information about Form 8868 and its instructions is at www.irs.gov/form8868.**

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
- If you are filing for an **Additional (Not Automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Electronic filing (e-file). You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/efile and click on *e-file for Charities & Nonprofits*.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Enter filer's identifying number, see instructions

Type or print File by the due date for filing your return. See instructions.	Name of exempt organization or other filer, see instructions.	Employer identification number (EIN) or
	THE ARC OF SOMERSET COUNTY, INC.	22-1968555
	Number, street, and room or suite no. If a P.O. box, see instructions.	Social security number (SSN)
	141 SOUTH MAIN STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	MANVILLE, NJ 08835	

Enter the Return code for the return that this application is for (file a separate application for each return)

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ► ACCOUNTING DEPARTMENT, 141 SOUTH MAIN STREET MANVILLE, NJ 08835

Telephone No. ► 908 725-8544 FAX No. ► _____

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) 1162. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 02/15, 20 15, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

► ☐ calendar year 20 ____ or

► ☒ tax year beginning 07/01, 20 13, and ending 06/30, 20 14.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0
b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0

Caution. If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

For Privacy Act and Paperwork Reduction Act Notice, see instructions.

Form **8868** (Rev. 1-2014)



EisnerAmper LLP

111 Wood Avenue South
Iselin, NJ 08830-2700
Tel 732.243.7000 Fax 732.951.7400
www.eisneramper.com

INSTRUCTIONS FOR FILING
THE ARC OF SOMERSET COUNTY, INC.
NJ CRI-300R
NEW JERSEY CRI-300R - LONG FORM RENEWAL STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2014

SIGNATURE...

THE ORIGINAL RETURN SHOULD BE DATED AND SIGNED BY TWO AUTHORIZED
OFFICERS OF THE ORGANIZATION, INCLUDING THE CHIEF FISCAL OFFICER.

FILING...

THE SIGNED RETURN SHOULD BE FILED ON OR BEFORE JUNE 30, 2015
WITH...

NJ DIV. OF CONSUMER AFFAIRS
OFFICE OF CONSUMER PROTECTION
CHARITIES REGISTRATION SECTION
P.O. BOX 45021
NEWARK, NEW JERSEY 07101

New Jersey Office of the Attorney General

Division of Consumer Affairs
 Office of Consumer Protection
 Charities Registration Section
 124 Halsey Street, 7th Floor, P.O. Box 45021
 Newark, NJ 07101
 (973) 504-6215

Form CRI-300R
Long-Form Renewal Registration/Verification Statement
 (Revised April 2008)

All questions must be answered.

Pursuant to the New Jersey Charitable Registration and Investigation Act (also known as "the C.R.I. Act" (N.J.S.A. 45:17A-18 et seq.), and prior to operating or commencing solicitation activity in the State, a charitable organization unless exempted from registration requirements (or qualified to file a Short-Form Registration Statement, CRI-200) shall file a Long-Form Initial Registration Statement, CRI-150-I. Charities submitting their annual long-form renewal registration must use Form CRI-300R. Please see the checklist at the end of this form for a discussion of fees, financial statements, documents to be attached, and other requirements for registration.

1.	This statement contains the facts and financial information for the fiscal year ending:	06 / 30 / 2014 <small>month day year</small>	
2.	Federal ID Number (EIN) <u>22-1968555</u>	2a. N.J. Charities Registration Number: CH- <u>0078100</u>	
3.	Full legal name of the registering organization: <u>THE ARC OF SOMERSET COUNTY, INC.</u> In care of: (if necessary, otherwise leave this line blank) _____		
4.	Mailing Address: <u>141 SOUTH MAIN STREET</u> <u>MANVILLE, NJ 08835</u> <small>Street Address City State ZIP Code</small>		<input type="checkbox"/> Change of Address
NOTE: If "in care of," a postal, private or rural delivery mail box number is used, the street address of the charity must be given below.			
5.	The principal street address of the registering organization _____ <input checked="" type="checkbox"/> Same as Mailing Address <small>Street Address City State ZIP Code</small>		

6. Does the organization have any offices in New Jersey in addition to the one listed above? ☐ Yes ☒ No
 If "Yes," attach a list giving the street address and telephone number of each office in New Jersey.
- 6a. If the street address listed above is not where the organization's official records are kept, or if the organization does not maintain an office in New Jersey, indicate the name, full address, phone and fax number of the person having custody of the organization's records, and to whom correspondence should be addressed.

ACCOUNTING DEPARTMENT	141 SOUTH MAIN STREET	MANVILLE	NJ	08835
<small>Contact person</small>	<small>Street Address</small>	<small>City</small>	<small>State</small>	<small>ZIP Code</small>
<u>908-725-8544</u>				
<small>Telephone number (include area code)</small>	<small>Fax number (include area code)</small>			

7. Organization's contact information:

<u>(908) 252-6650</u>	
<small>Telephone number (include area code)</small>	<small>Fax number (include area code)</small>
<u>LAURENP@THEARCOFSOMERSET.ORG</u>	<u>WWW.THEARCOFSOMERSET.ORG</u>
<small>E-mail address</small>	<small>Web site</small>

8. Type of organization (check one):

<input checked="" type="checkbox"/> Nonprofit corporation	<input type="checkbox"/> Foundation	<input type="checkbox"/> Individual	<input type="checkbox"/> Association	<input type="checkbox"/> Society
<input type="checkbox"/> Partnership	<input type="checkbox"/> Trust	<input type="checkbox"/> Other (Specify) _____		

9. Where and when was the organization legally established? Date: 10/05/1973 State: NEW JERSEY
As required by the C.R.I. Act (N.J.S.A. 45:17A-24c(1)), attach to this registration a copy of the organization's bylaws and instrument of organization (that is, the organization's charter, articles of incorporation or organization, agreement of association, instrument of trust, or constitution) only if the document has been issued or amended during the fiscal year being reported.
10. Does the organization solicit funds under any name or names other than as indicated on line 3 of this form? ☐ Yes ☒ No
If "Yes," indicate all of the other names used: _____
11. Does the organization intend to solicit contributions from the general public? ☒ Yes ☐ No
12. Is the organization authorized by any other state or jurisdiction to solicit contributions? ☐ Yes ☒ No
If "Yes," please provide a list of those states or jurisdictions, below or on a separate sheet of paper.

13. Does the organization have affiliates which share the contributions or other revenue it raised in New Jersey? ☐ Yes ☒ No
If "Yes," provide a separate listing of those affiliates indicating the name, street address and telephone number for each one.
14. What is the charitable purpose or purposes for which the organization was formed? If necessary, attach a separate statement to this registration.
THE ARC OF SOMERSET COUNTY PROVIDES SERVICES FOR PERSONS WITH
DEVELOPMENTAL AND INTELLECTUAL DISABILITIES AND THEIR FAMILIES
AT EACH STAGE OF LIFE TO SUPPORT EACH INDIVIDUAL'S DEVELOPMENT
AND GOALS.
- 14a. What are the specific programs and charitable purposes for which contributions are used? For each program, state whether it already exists or is planned. Only major program categories need be listed. If necessary, attach a separate statement to this registration.
-SEE ATTACHED FEDERAL FORM 990 STATEMENT OF PROGRAM SERVICE
ACCOMPLISHMENTS.
15. Does the organization use an independent paid fund-raiser or fund-raising counsel? ☐ Yes ☒ No
If "Yes," please attach to this registration a list of paid fund-raiser(s) or fund-raising counsel(s), including their full address, telephone number, fax number, registration number in New Jersey, and a contact person's name.
- 15a. Does the independent paid fund-raiser or fund-raising counsel have custody, control or access to the organization's funds? ☐ Yes ☐ No
If "Yes," please describe the situation.

16. Has the organization permitted a charitable sales promotion to be conducted on its behalf by a commercial co-venturer during the fiscal year-end being reported? ☐ Yes ☒ No
If "Yes," please explain: _____
17. Has the Internal Revenue Service (I.R.S.) determined that the organization is tax exempt under code 501(c)(3)? ☒ Yes ☐ No
- a. If "No," has an application been filed which is still pending? If so, please attach a copy of the I.R.S. 1023 form filed. ☐ Yes ☐ No
- b. Has a tax exemption been granted under another I.R.S. code? ☐ Yes ☒ No
If "Yes," advise which one: _____
- c. Has an I.R.S. tax exemption been refused, changed or revoked? ☐ Yes ☒ No
If an exemption has been refused, changed or revoked, attach to this registration a copy of the I.R.S. determination letter of notification and provide a detailed explanation of the circumstances on a separate sheet of paper.

18. Has the organization ever had its authority to conduct charitable activities denied, suspended, or revoked in any jurisdiction or has the organization ever entered into any voluntary agreement of discontinuance with any governmental entity? ☐ Yes ☒ No
If "Yes," attach to this registration a copy of the denial, suspension, revocation or voluntary agreement of discontinuance. If the document does not explain the reasons for the denial, suspension or revocation, attach to this registration an explanation on a separate sheet of paper.
19. Has the organization voluntarily entered into an assurance of voluntary compliance or similar order or agreement (including, but not limited to, a settlement of an administrative investigation or proceeding, with or without an admission of liability) with any jurisdiction, state or federal agency or officer? ☐ Yes ☒ No
If "Yes," please attach to this registration the relevant document.
20. Has the organization or any of its present officers, directors, executive personnel or trustees ever been found to have engaged in unlawful practices in the solicitation of contributions or administration of charitable assets or been enjoined from soliciting contributions, or are such proceedings pending in this or any other jurisdiction? ☐ Yes ☒ No
If "Yes," attach to this registration photocopies of any and all written documentation (such as a court order, administrative order, judgment, formal notice, written assurance or other document) which show the final disposition of the matter.
21. Has the organization or any of its present officers, directors, trustees or principal salaried executive staff employees ever been convicted of any criminal offense committed in connection with the performance of activities regulated under this act or any criminal or civil offense involving untruthfulness or dishonesty or any criminal offense relating adversely to the registrant's fitness to perform activities regulated by this Act? A plea of guilty, non vult, nolo contendere or any similar disposition of alleged criminal activity shall be deemed a conviction. ☐ Yes ☒ No
22. Has the organization or any of its officers, directors, trustees or principal salaried executive staff employees been adjudged liable in any administrative or civil action involving theft, fraud, or deceptive business practices? For purposes of this question a judgment of liability in an administrative or civil action shall include, but is not limited to, any finding or admission that the individual engaged in an unlawful practice in relation to the solicitation of contributions or the administration of charitable assets. ☐ Yes ☒ No
If "Yes," identify the individual(s) below and attach to this registration a copy of any order, judgment or other documents indicating the final disposition of the matter.
-
-
23. Provide the following information for each officer, director, trustee and the five most-highly compensated executive staff employees:

Name	Business address	Telephone number (include area code)	Title	Salary
ATTACHMENT 1				

CRI-300R Long-Form Registration Renewal Financial Statement

Note: If the financial value of a line item = 0, place a zero in the space provided.
Please report all figures as GROSS, not NET.

Full legal name and street address of the organization

Full legal name: THE ARC OF SOMERSET COUNTY, INC.

Fiscal year-end being reported: 06 / 30 / 2014 Federal ID Number (EIN) 22-1968555
month day year

Mailing address:

141 SOUTH MAIN STREET MANVILLE, NJ 08835
Mailing Address P.O. Box Number or Suite City State ZIP code

Street address of the registering organization: _____
Street Address City State ZIP Code

New Jersey Charities Registration number: CH 0078100 -00 Telephone number: (908) 252-6650
(include area code)

Attach to this registration the most recent Internal Revenue Service Form 990 and Schedule A (990), if the organization has filed those forms. Attach a copy if the organization's annual financial report included an audited financial statement, or if the organization received gross revenue in excess of \$250,000. **Note:** If the organization received gross revenue of less than \$250,000, the financial reports must be certified by the organization's president or other authorized officer of the organization's board.

☒ In lieu of completing the CRI-300R Financial Statement pages, attached please find a copy of the I.R.S. 990 filing for the fiscal year-end indicated above.

A. Receipts

Line A1a. Direct Public Support received from the following sources:

- | | | |
|------|--|-------|
| (1) | Direct mail | _____ |
| (2) | Telephone solicitation | _____ |
| (3) | Commercial co-venture | _____ |
| (4) | Gross receipts from fund-raising events. | _____ |
| (5) | Canisters, counter cards, door to door etc | _____ |
| (6) | Corporations and other businesses | _____ |
| (7) | Foundations and trusts | _____ |
| (8) | Donated land, buildings, property, equipment and materials | _____ |
| (9) | Legacies and bequests. | _____ |
| (10) | Membership dues solely resulting from solicitations | _____ |
| (11) | Other support (specify). | _____ |

Line A1b. Total Direct Public Support (add lines A1a(1) through A1a(11)) _____

Line A1c. Indirect Public Support received from the following sources:

- | | | |
|-----|---|-------|
| (1) | Federated fund-raising organization. | _____ |
| (2) | From an affiliated organization | _____ |
| (3) | From another fund-raising organization. | _____ |

Line A1d. Total Indirect Public Support (add lines A1c(1) thru A1c(3)). _____

Line A1e. Total Gross Contributions (add lines A1b and A1d). _____

Line A2. Government grants including purchase of service contracts (specify agency)

- a. _____
 b. _____
 c. _____
 d. _____

Line A2e. Total Government Grants (add lines 2a thru 2d) _____

Line A3. Other Support

- a. Bona fide membership _____
 b. Program service revenue _____
 c. Professional services rendered by volunteers _____
 d. Miscellaneous income (specify) _____

Line A3e. Total Other Support (add the total of lines A3a thru A3d) _____

Line A4. Total Gross Revenue (add lines A1e, A2e, and A3e) _____

B. Expenses

- Line B1. Program expenses _____
 Line B2. Management and general expenses _____
 Line B3. Fund-raising expenses _____
 Line B4. Payments to state/national affiliates (if applicable) _____
 Line B5. Total Expenses (add the totals of line B1 thru B4) _____

C. Excess or Deficit

For the fiscal year-end (subtract line B5 from line A4) _____

D. Fund Balance

- Line D1. Net assets or fund balances at beginning of the year _____
 Line D2. Other changes in net assets or fund balances (attach explanation) _____
 Line D3. Net assets or fund balances at end of year (Combine line C, D1 and D2) _____

Please Note: The amount of Gross Contributions (line A1e on this form) determines the registration fee which must be paid and the form which should be used. July 2006 revisions to the Charities Registration Act now require all charities to pay a registration fee, including charities whose Gross Contributions are less than \$10,000. Further information for charity registrants may be found on our Web site: <http://www.njconsumeraffairs.gov/ocp/charities.htm>.

Long-Form Renewal Registration Statement

Form CRI-300RC

Confidential Information

Organization's Name: THE ARC OF SOMERSET COUNTY, INC.

N.J. Charities Registration Number: CH-0078100 -00

Federal ID Number (EIN) 22-1968555

Fiscal Year-End being reported: 06 / 30 / 2014
month day year

24. Are any of the organization's officers, directors, trustees or the five most-highly compensated employees related by blood, marriage or adoption to:
- a. each other? ☐ Yes ☒ No
 - b. any officers, agents or employees of any fund-raising counsel or independent paid fund-raiser under contract to the organization? ☐ Yes ☒ No
 - c. any chief executive, employee, any other employee of the organization with a direct financial interest in the transaction, or any partner, proprietor, director, officer, trustee, or to any shareholder of the organization with more than two (2) percent interest in any supplier or vendor providing goods or services to the organization? ☐ Yes ☒ No
 - d. If you answered "Yes," to questions 24a, b, or c, please provide a statement explaining these relationships.
25. Do any of the organization's officers, directors, trustees or the five most-highly compensated employees have a financial interest in any activities engaged in by a fund-raising counsel or independent paid fund-raiser under contract to the organization, or any supplier or vendor providing goods or services to the organization? ☐ Yes ☒ No
- If "Yes," please detail these relationships below or on a separate sheet of paper, and provide the name, business address and telephone number of all interested parties.

We understand that this registration is being issued at the discretion of the Division of Consumer Affairs and agree that employees of the Division may inspect the records in the possession of this organization in order to ascertain compliance with the statute and all pertinent regulations. We also understand that we may be required to provide additional information if requested.

We hereby certify that the above information and the attached financial schedule(s) and statement(s) are true. We are aware that if any of the above statements are willfully false, we are subject to punishment.

Signature _____ Name _____ Title _____ Date _____

Signature _____ Name _____ Title _____ Date _____

This form must be signed by two (2) authorized officers of the organization, including the chief financial officer.

Note: Form CRI-300RC must be filed with Form CRI-300R.

CRI-300R OFFICERS, DIRECTORS, TRUSTEES, FIVE HIGHEST PAID EMPLOYEESATTACHMENT 1

<u>NAME AND ADDRESS</u>	<u>TITLE</u>	<u>TELEPHONE</u>	<u>COMPENSATION</u>
ERIC MANDELBAUM 141 SOUTH MAIN STREET MANVILLE, NJ 08835	BOARD MEMBER	908-725-8544	
RON SLAHETKA 141 SOUTH MAIN STREET MANVILLE, NJ 08835	PRESIDENT	908-725-8544	
TARUN SHAH 141 SOUTH MAIN STREET MANVILLE, NJ 08835	BOARD MEMBER	908-725-8544	
CHARLES HUCK 141 SOUTH MAIN STREET MANVILLE, NJ 08835	BOARD MEMBER	908-725-8544	
WILLIAM MACKAY 141 SOUTH MAIN STREET MANVILLE, NJ 08835	BOARD MEMBER	908-725-8544	
DEBRA ALBANESE 141 SOUTH MAIN STREET MANVILLE, NJ 08835	SECRETARY	908-725-8544	
TIM MCKEOWN 141 SOUTH MAIN STREET MANVILLE, NJ 08835	VICE PRESIDENT	908-725-8544	
JAY REYES 141 SOUTH MAIN STREET	BOARD MEMBER	908-725-8544	

CRI-300R OFFICERS, DIRECTORS, TRUSTEES, FIVE HIGHEST PAID EMPLOYEESATTACHMENT 1 (CONT'D)

<u>NAME AND ADDRESS</u>	<u>TITLE</u>	<u>TELEPHONE</u>	<u>COMPENSATION</u>
MANVILLE, NJ 08835			
STEFANIE IRWIN 141 SOUTH MAIN STREET MANVILLE, NJ 08835	TREASURER	908-725-8544	
LAUREN PANARELLA 141 SOUTH MAIN STREET MANVILLE, NJ 08835	EXE DIR & DIR OF FIN	908-725-8544	123,900.
CHRISTOPHER CORVINO 141 SOUTH MAIN STREET MANVILLE, NJ 08835	ASSOCIATE EXEC. DIR.	908-725-8544	83,970.
JILL CARDOSO 141 SOUTH MAIN STREET MANVILLE, NJ 08835	DIRECTOR OF FS	908-725-8544	84,389.
ELAINE GIANNASCOLI 141 SOUTH MAIN STREET MANVILLE, NJ 08835	REGISTERED NURSE	908-725-8544	77,132.
TONI GAMBLE 141 SOUTH MAIN STREET MANVILLE, NJ 08835	DIR OF HUMAN RESOURC	908-725-8544	72,450.



New Jersey Office of the Attorney General

Division of Consumer Affairs
Office of Consumer Protection
Charities Registration Section
124 Halsey Street, 7th Floor, P.O. Box 45021
Newark, NJ 07101
(973) 504-6215

Form CRI-400
(Revised April 2008)

**Application for an Extension of Time to File the Annual Renewal Registration
Statement and Financial Report for a Charitable Organization**

All questions must be answered.

Important: Effective July 9, 2006, changes were made to the Charitable Registration and Investigation Act.
Carefully review the attached instructions before completing and submitting this form.

Short-form filers, which take in \$10,000 or less per year in gross contributions, will no longer be granted an extension of time to file their renewal registration, pursuant to changes in the Charitable Registration and Investigation Act effective July 9, 2006, for fiscal years ending January 31, 2006, and after. *Please Note: Extensions of time to file cannot be granted for Initial Registrations.*

Date fiscal year ends: 6/30/2014 Date of this application: 11/5/2014 N.J. Charities Registration Number: CH- 0078100

Charity's Full Legal Name: THE ARC OF SOMERSET COUNTY, INC.

Other Names Used (d.b.a.) _____

Mailing Address:

141 SOUTH MAIN STREET, MANVILLE, NJ 08835

In care of:

Address

City

State

ZIP Code

Street Address:

Street address

City

State

ZIP Code

☐ **Check this box to flag a change of address or other vital information.**

Contact Person: LAUREN PANARELLA

Phone Number: (908) 725-8544

(include area code)

E-mail: _____ **Federal Tax ID (EIN):** 22-1968555

Web site: THEARCOFSOMERSET.ORG

Fax Number: _____

(include area code)

1. A six-month extension of time to file the Renewal Statement and Financial Report(s), for the fiscal year-end shown above, is hereby requested for the following reason(s):

AWAITING INFORMATION NECESSARY TO COMPLETE AN ACCURATE RETURN.

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter Social Security numbers on this form as it may be made public.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013**Open to Public
Inspection****A** For the 2013 calendar year, or tax year beginning

07/01, 2013, and ending

06/30, 2014

B Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization

THE ARC OF SOMERSET COUNTY, INC.

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address)

Room/suite

141 SOUTH MAIN STREET

City or town, state or province, country, and ZIP or foreign postal code

MANVILLE, NJ 08835

F Name and address of principal officer:

LAUREN PANARELLA

141 SOUTH MAIN STREET MANVILLE, NJ 08835

D Employer identification number

22-1968555

E Telephone number

(908) 252-6650

G Gross receipts \$ 16,987,220.**H(a)** Is this a group return for subordinates? ☐ Yes ☒ No**H(b)** Are all subordinates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶ 1162**I** Tax-exempt status: ☒ 501(c)(3) ☐ 501(c)() ◀ (Insert no.) ☐ 4947(a)(1) or ☐ 527**J** Website: ▶ WWW.THEARCOFSOMERSET.ORG**K** Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶**L** Year of formation: 1972 **M** State of legal domicile: NJ**Part I Summary****1** Briefly describe the organization's mission or most significant activities: SEE SCHEDULE O**2** Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.**3** Number of voting members of the governing body (Part VI, line 1a) **3** 9.**4** Number of independent voting members of the governing body (Part VI, line 1b) **4** 9.**5** Total number of individuals employed in calendar year 2013 (Part V, line 2a) **5** 473.**6** Total number of volunteers (estimate if necessary) **6** 1,000.**7a** Total unrelated business revenue from Part VIII, column (C), line 12 **7a** 0**b** Net unrelated business taxable income from Form 990-T, line 34 **7b** 0**Revenue****8** Contributions and grants (Part VIII, line 1h) **Prior Year** 16,061,883. **Current Year** 15,820,619.**9** Program service revenue (Part VIII, line 2g) 674,146. 740,952.**10** Investment income (Part VIII, column (A), lines 3, 4, and 7d) 6,744. 807.**11** Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 144,752. 379,023.**12** Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 16,887,525. 16,941,401.**Expenses****13** Grants and similar amounts paid (Part IX, column (A), lines 1-3) 129,114. 120,533.**14** Benefits paid to or for members (Part IX, column (A), line 4) 0 0**15** Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 12,206,094. 12,488,332.**16a** Professional fundraising fees (Part IX, column (A), line 11e) 0 0**b** Total fundraising expenses (Part IX, column (D), line 25) ▶ 53,144.**17** Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e) 4,736,218. 4,654,246.**18** Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25) 17,071,426. 17,263,111.**19** Revenue less expenses. Subtract line 18 from line 12. -183,901. -321,710.**Net Assets or Fund Balances****20** Total assets (Part X, line 16) **Beginning of Current Year** 6,904,969. **End of Year** 6,525,406.**21** Total liabilities (Part X, line 26) 5,294,454. 6,254,771.**22** Net assets or fund balances. Subtract line 21 from line 20. 1,610,515. 270,635.**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer

Date

▶ LAUREN PANARELLA

▶ Type or print name and title

COPY**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

RICHARD A SACKIN

Firm's name ▶ EISNERAMPER LLP

Firm's EIN ▶ 13-1639826

Firm's address ▶ 111 WOOD AVE. SO., STE 600 ISELIN, NJ 08830-2700

Phone no. 732-243-7000

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2013)

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response or note to any line in this Part III ☐ ☒ **X****1** Briefly describe the organization's mission:

THE ARC OF SOMERSET COUNTY PROVIDES QUALITY SERVICES AND ADVOCACY FOR
INDIVIDUALS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES AND
THEIR FAMILIES TO SUPPORT DEVELOPMENT AND ACHIEVEMENT AT EVERY STAGE
OF LIFE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code:) (Expenses \$ 10,275,861. including grants of \$) (Revenue \$ 9,541,750.)

RESIDENTIAL SERVICES: THE ARC OF SOMERSET OFFERS A WIDE RANGE OF
RESIDENTIAL SERVICES TAILORED TO THE INDIVIDUAL NEEDS OF EACH
INDIVIDUAL SERVED. GROUP HOMES, SUPERVISED APARTMENTS AND
SUPPORTED LIVING PROGRAMS ARE LOCATED IN 27 LOCATIONS THROUGHOUT
SOMERSET COUNTY. THE ARC OF SOMERSET COUNTY CURRENTLY OPERATES 14
GROUP HOMES PROVIDING SERVICES TO OVER 74 CONSUMERS. IN ADDITION,
THE ARC OF SOMERSET COUNTY'S SUPERVISED APARTMENT PROVIDES 34
INDIVIDUALS WITH THE OPPORTUNITY TO LIVE IN THEIR OWN APARTMENTS
(WITH OR WITHOUT AN "APARTMENT MATE") IN A MORE INDEPENDENT
SETTING. IN THE SUPPORTED LIVING PROGRAM, 10 INDIVIDUALS LIVE
INDEPENDENTLY IN THE COMMUNITY.

4b (Code:) (Expenses \$ 1,323,030. including grants of \$) (Revenue \$ 1,375,083.)

EARLY INTERVENTION PROGRAM: THIS PROGRAM PROVIDES EDUCATIONAL,
THERAPEUTIC AND RECREATIONAL PROGRAMS FOR CHILDREN FROM BIRTH
THROUGH THREE YEARS OF AGE. THROUGH THIS PROGRAM, HIGHLY
CREDENTIALLED THERAPISTS AND TEACHERS PROVIDE COMPREHENSIVE
SERVICES TO YOUNG CHILDREN WITH SPECIAL NEEDS AND/OR DEVELOPMENTAL
DELAYS. CURRENTLY, THE PROGRAM SERVICES 180 CHILDREN ON A MONTHLY
BASIS - BOTH HOME AND CENTER BASED.

4c (Code:) (Expenses \$ 3,792,880. including grants of \$) (Revenue \$ 4,479,426.)

EMPLOYMENT SERVICES: THE ARC OF SOMERSET COUNTY CURRENTLY
PROVIDES OPPORTUNITIES AND TRAINING TO OVER 260 INDIVIDUALS. THIS
DIVERSE AND DEDICATED WORKFORCE SERVES SOMERSET COUNTY AREA
BUSINESSES IN A WIDE VARIETY OF FIELDS, SUCH AS MEDICAL SUPPLIES,
DIRECT MAIL, PACKAGING, OFFICE JANITORIAL AND COSMETICS. SOME
INDIVIDUALS ARE EMPLOYED DIRECTLY BY THESE BUSINESSES AT THEIR
LOCATIONS IN THE COMMUNITY, WHILE OTHERS WORK AT ONE OF THE
AGENCY'S FOUR WORK CENTERS DEPENDING ON THE NEEDS OF EACH
INDIVIDUAL AND BUSINESS.

4d Other program services (Describe in Schedule O.)

(Expenses \$ 1,615,322. including grants of \$ 120,533.) (Revenue \$)

4e Total program service expenses ► 17,007,093.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II	4	X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	11a X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII	11b	X
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII	11c	X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX	11d X	
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X	11e X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	11f X	
12 a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII	12a	X
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional	12b X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13	X
14 a Did the organization maintain an office, employees, or agents outside of the United States?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV	16	X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)	17	X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20 a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H	20a	X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b	

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	X	
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24 a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a.</i>		X
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25 a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payable to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II.</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III.</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>	X	
35 a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O	X	

Form **990** (2013)

Part V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response or note to any line in this Part V ☐

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a	47
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a	473
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b	X
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	X
b	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X
b	If "Yes," enter the name of the foreign country: ► _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	X
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?	6a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.		
a	Is the organization licensed to issue qualified health plans in more than one state? Note. See the instructions for additional information the organization must report on Schedule O.	13a	
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b	
c	Enter the amount of reserves on hand	13c	
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a	X
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O	14b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.Check if Schedule O contains a response or note to any line in this Part VI ☒ X**Section A. Governing Body and Management**

	Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	9	
If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
1b Enter the number of voting members included in line 1a, above, who are independent	9	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5 Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6 Did the organization have members or stockholders?	X	
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	X	
b Each committee with authority to act on behalf of the governing body?	X	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Did the organization have local chapters, branches, or affiliates?		X
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
13 Did the organization have a written whistleblower policy?	X	
14 Did the organization have a written document retention and destruction policy?	X	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	X	
b Other officers or key employees of the organization	X	
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ☒ NJ,

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
☒ Own website ☐ Another's website ☒ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **ACCOUNTING DEPARTMENT 141 SOUTH MAIN STREET MANVILLE, NJ 08835 908-725-8544**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent ContractorsCheck if Schedule O contains a response or note to any line in this Part VII. ☐**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) ERIC MANDELBAUM BOARD MEMBER	1.00	X						0	0	0
(2) RON SLAHETKA PRESIDENT	1.00	X		X				0	0	0
(3) TARUN SHAH BOARD MEMBER	1.00	X						0	0	0
(4) CHARLES HUCK BOARD MEMBER	1.00	X						0	0	0
(5) WILLIAM MACKAY BOARD MEMBER	1.00	X						0	0	0
(6) DEBRA ALBANESE SECRETARY	1.00	X		X				0	0	0
(7) TIM MCKEOWN VICE PRESIDENT	1.00	X		X				0	0	0
(8) JAY REYES BOARD MEMBER	1.00	X						0	0	0
(9) STEFANIE IRWIN TREASURER	1.00	X		X				0	0	0
(10) LAUREN PANARELLA EXEC DIRECTOR & DIR OF FINANCE	40.00			X				123,900.	0	30,552.
(11) CHRISTOPHER CORVINO ASSOCIATE EXECUTIVE DIRECTOR	40.00			X				83,970.	0	18,164.
(12)										
(13)										
(14)										

Part VIII Statement of RevenueCheck if Schedule O contains a response or note to any line in this Part VIII. ☐

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514
Contributions, Gifts, Grants and Other Similar Amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	15,589,426.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	231,193.			
	g	Noncash contributions included in lines 1a-1f: \$					
	h	Total. Add lines 1a-1f		15,820,619.			
Program Service Revenue	2a	CONTRACT PROJECTS AND OTHER GRANTS	Business Code	624310	283,925.	283,925.	
	b	CAMP JOTONI TUITION		624100	255,133.	255,133.	
	c	DAY CARE PROGRAM FEES		624410	201,894.	201,894.	
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		740,952.			
	Other Revenue	3	Investment income (including dividends, interest, and other similar amounts). ATTACHMENT 1			807.	
4		Income from investment of tax-exempt bond proceeds			0		
5		Royalties			0		
			(i) Real	(ii) Personal			
6a		Gross rents					
b		Less: rental expenses					
c		Rental income or (loss)					
d		Net rental income or (loss)			0		
7a		Gross amount from sales of assets other than inventory					
b		Less: cost or other basis and sales expenses					
c		Gain or (loss)					
d		Net gain or (loss)			0		
8a		Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a	124,389.			
b		Less: direct expenses	b	45,819.			
c		Net income or (loss) from fundraising events		78,570.			78,570.
9a		Gross income from gaming activities. See Part IV, line 19	a				
b		Less: direct expenses	b				
c		Net income or (loss) from gaming activities		0			
10a	Gross sales of inventory, less returns and allowances	a					
b	Less: cost of goods sold	b					
c	Net income or (loss) from sales of inventory		0				
Miscellaneous Revenue				Business Code			
11a	OTHER REVENUE		900099	300,453.	300,453.		
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d		300,453.				
12	Total revenue. See instructions		16,941,401.	1,041,405.		79,377.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX ☐**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	0			
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	120,533.	120,533.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	216,915.	88,935.	74,836.	53,144.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	9,342,112.	7,541,139.	1,800,973.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	340,974.	274,063.	66,911.	
9 Other employee benefits	1,884,733.	1,514,884.	369,849.	
10 Payroll taxes	703,598.	565,528.	138,070.	
11 Fees for services (non-employees):				
a Management	0			
b Legal	0			
c Accounting	0			
d Lobbying	0			
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees	0			
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	1,292,182.	1,070,325.	221,857.	
12 Advertising and promotion	0			
13 Office expenses	577,941.	520,090.	57,851.	
14 Information technology	0			
15 Royalties	0			
16 Occupancy	979,627.	868,374.	111,253.	
17 Travel	684,624.	668,965.	15,659.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	0			
20 Interest	58,183.		58,183.	
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	459,687.	396,522.	63,165.	
23 Insurance	181,757.	160,076.	21,681.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a OTHER	263,714.	96,279.	167,435.	
b COMMUNICATIONS	156,531.	125,586.	30,945.	
c ALLOCATED EXPENSES		2,995,794.	-2,995,794.	
d				
e All other expenses				
25 Total functional expenses. Add lines 1 through 24e	17,263,111.	17,007,093.	202,874.	53,144.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	0	1	0
	2 Savings and temporary cash investments	852,464.	2	1,366,386.
	3 Pledges and grants receivable, net	404,588.	3	275,315.
	4 Accounts receivable, net	188,048.	4	72,929.
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	0
	8 Inventories for sale or use	0	8	0
	9 Prepaid expenses and deferred charges	182,836.	9	67,506.
	10 a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 12,764,192.		
	b Less: accumulated depreciation	10b 8,435,642.	4,597,090.	10c 4,328,550.
	11 Investments - publicly traded securities	261,376.	11	0
	12 Investments - other securities. See Part IV, line 11	0	12	0
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	418,567.	15	414,720.
16 Total assets. Add lines 1 through 15 (must equal line 34)	6,904,969.	16	6,525,406.	
Liabilities	17 Accounts payable and accrued expenses	1,521,509.	17	1,552,265.
	18 Grants payable	0	18	0
	19 Deferred revenue	140,070.	19	183,477.
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	3,606,736.	23	4,159,139.
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	26,139.	25	359,890.
	26 Total liabilities. Add lines 17 through 25	5,294,454.	26	6,254,771.
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	1,463,136.	27	109,501.
	28 Temporarily restricted net assets	147,379.	28	161,134.
	29 Permanently restricted net assets	0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	1,610,515.	33	270,635.
	34 Total liabilities and net assets/fund balances	6,904,969.	34	6,525,406.

Form 990 (2013)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	16,941,401.
2	Total expenses (must equal Part IX, column (A), line 25)	2	17,263,111.
3	Revenue less expenses. Subtract line 2 from line 1	3	-321,710.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,610,515.
5	Net unrealized gains (losses) on investments	5	42,878.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	-605,787.
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-455,261.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	270,635.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

☐

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis
- b** Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		X
2b	X	
2c	X	
3a	X	
3b	X	

Form 990 (2013)

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

OMB No. 1545-0047

2013

Open to Public Inspection

▶ Attach to Form 990 or Form 990-EZ.
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization
THE ARC OF SOMERSET COUNTY, INC.

Employer identification number
22-1968555

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☐ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III-Functionally integrated d ☐ Type III-Non-functionally integrated
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐
- (ii) A family member of a person described in (i) above? ☐
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐
- h Provide the following information about the supported organization(s).

	Yes	No
11g(i)	<input type="checkbox"/>	<input type="checkbox"/>
11g(ii)	<input type="checkbox"/>	<input type="checkbox"/>
11g(iii)	<input type="checkbox"/>	<input type="checkbox"/>

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2013

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	15,399,429.	15,555,020.	16,083,820.	16,061,883.	15,820,619.	78,920,771.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	15,399,429.	15,555,020.	16,083,820.	16,061,883.	15,820,619.	78,920,771.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f).						0
6 Public support. Subtract line 5 from line 4.						78,920,771.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
7 Amounts from line 4	15,399,429.	15,555,020.	16,083,820.	16,061,883.	15,820,619.	78,920,771.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	15,054.	9,129.	6,987.	6,744.	807.	38,721.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						0
11 Total support. Add lines 7 through 10						78,959,492.
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	14	99.95 %
15 Public support percentage from 2012 Schedule A, Part II, line 14	15	99.91 %
16a 33 1/3% support test - 2013. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2012. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10%-facts-and-circumstances test - 2013. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10%-facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II.
If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b.						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
9 Amounts from line 6.						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here. <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2012 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2012 Schedule A, Part III, line 17	18	%
19a 33 1/3% support tests - 2013. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
b 33 1/3% support tests - 2012. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization <input type="checkbox"/>		
20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions <input type="checkbox"/>		

Part IV **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Schedule of Contributors

OMB No. 1545-0047

2013

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

☒ 501(c)(3) (enter number) organization

☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

☐ 527 political organization

Form 990-PF

☐ 501(c)(3) exempt private foundation

☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation

☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

- ☐ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

- ☒ For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.
- ☐ For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions of \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization THE ARC OF SOMERSET COUNTY, INC.

Employer identification number
22-1968555**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	NJ DEPARTMENT OF HUMAN SERVICES (DDD) 222 SOUTH WARREN ST, PO BOX 700 TRENTON, NJ 08625-0700	\$ 13,465,485.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	NJ DEPT. OF HEALTH & SENIOR SERVICES EIP PO BOX 364 TRENTON, NJ 08625-0364	\$ 1,307,892.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
		\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
---	----- ----- ----- -----	\$-----	-----

Name of organization **THE ARC OF SOMERSET COUNTY, INC.**

Employer identification number

22-1968555

Part III **Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year.** Complete columns (a) through (e) and the following line entry.For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this information once. See instructions.) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
	(e) Transfer of gift		
	Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee
	----- ----- -----		----- ----- -----

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990.

▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2013

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Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a** ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII. ☐

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Temporarily restricted endowment ▶ _____ %

The percentages in lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		626,042.		626,042.
b Buildings		7,729,466.	4,837,291.	2,892,175.
c Leasehold improvements		124,444.	73,153.	51,291.
d Equipment		3,906,629.	3,450,199.	456,430.
e Other		377,610.	74,998.	302,612.
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				4,328,550.

Schedule D (Form 990) 2013

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) INTERCOMPANY RECEIVABLE	347,000.
(2) MORTGAGE FINANCE COSTS	44,560.
(3) OTHER ASSETS	23,160.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	414,720.

Part X Other Liabilities.

Complete if the organization answered "Yes" to Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value	
(1) Federal income taxes		
(2) INTERCOMPANY DEMAND LOAN PAYAB	359,890.	
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	359,890.	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☒

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" to Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	
3	Subtract line 2e from line 1		3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	

Part XIII Supplemental information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

Part XIII Supplemental Information (continued)

PART X, LINE 2:

MANAGEMENT HAS ANALYZED THE TAX POSITIONS TAKEN BY THE ORGANIZATION, AND HAS CONCLUDED THAT AS OF JUNE 30, 2014, THERE ARE NO UNCERTAIN POSITIONS TAKEN OR EXPECTED TO BE TAKEN THAT WOULD REQUIRE RECOGNITION OF A LIABILITY OR DISCLOSURE IN THE CONSOLIDATED FINANCIAL STATEMENTS. THE ORGANIZATION HAS RECOGNIZED ACCRUED INTEREST AND PENALTIES ASSOCIATED WITH UNCERTAIN TAX POSITIONS, IF ANY. THERE WAS NO INCOME TAX-RELATED INTEREST OR PENALTIES RECORDED FOR THE YEAR ENDED JUNE 30, 2014. THE INCOME TAX RETURNS OF THE ORGANIZATION FOR THE YEARS ENDED JUNE 30, 2013, 2012 AND 2011 ARE SUBJECT TO EXAMINATION BY THE INTERNAL REVENUE SERVICE AND OTHER TAXING AUTHORITIES, GENERALLY FOR THREE YEARS AFTER THEY WERE FILED.

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

▶ Attach to Form 990 or Form 990-EZ.

▶ Information about Schedule G (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

Open to Public
Inspection

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.
Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | |
|--|---|
| a <input type="checkbox"/> Mail solicitations | e <input type="checkbox"/> Solicitation of non-government grants |
| b <input type="checkbox"/> Internet and email solicitations | f <input type="checkbox"/> Solicitation of government grants |
| c <input type="checkbox"/> Phone solicitations | g <input type="checkbox"/> Special fundraising events |
| d <input type="checkbox"/> In-person solicitations | |

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total				▶		

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		WINTERTIME GALA (event type)	ARC WALK (event type)		
Revenue	1 Gross receipts	88,634.	35,755.		124,389.
	2 Less: Contributions				
	3 Gross income (line 1 minus line 2)	88,634.	35,755.		124,389.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs				
	7 Food and beverages	25,638.	1,043.		26,681.
	8 Entertainment	4,000.			4,000.
	9 Other direct expenses	9,831.	5,307.		15,138.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				45,819.
	11 Net income summary. Subtract line 10 from line 3, column (d)				78,570.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				
	8 Net gaming income summary. Subtract line 7 from line 1, column (d)				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

- 11** Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13** Indicate the percentage of gaming activity operated in:
- | | | |
|--------------------------------------|------------|---|
| a The organization's facility | 13a | % |
| b An outside facility | 13b | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

- 15 a** Does the organization have a contract with a third party from whom the organization receives gaming revenue? ☐ Yes ☐ No
- b** If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ _____ and the amount of gaming revenue retained by the third party ▶ \$ _____
- c** If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶ \$ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? ☐ Yes ☐ No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ _____

Part IV **Supplemental Information.** Provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE I
(Form 990)

Department of the Treasury
Internal Revenue Service

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

▶ Attach to Form 990.

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) -----							
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							
(8) -----							
(9) -----							
(10) -----							
(11) -----							
(12) -----							

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table ▶
- 3 Enter total number of other organizations listed in the line 1 table ▶

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) (2013)

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22.
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1 FAMILY ASSISTANCE - IN HOME RESPITE	45.	115,486.		N/A	N/A
2 SCHOLARSHIP ASSISTANCE TO FAMILIES	70.	5,047.		N/A	N/A
3					
4					
5					
6					
7					

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

990 SCH I PART IV

ALL FAMILY ASSISTANCE - IN HOME RESPITE FAMILIES ARE APPROVED BY A NJ
DIVISION OF DEVELOPMENTAL DISABILITIES CASE WORKER. ALL STIPEND PAYMENTS
FOR THIS PROGRAM ARE REVIEWED BY AN ARC OF SOMERSET COUNTY STAFF MEMBER.
ONCE THIS DOCUMENTATION HAS BEEN APPROVED BY MANAGEMENT, A CHECK IS
PREPARED, SIGNED AND MAILED TO THE FAMILY RECEIVING ASSISTANCE. ALL
SCHOLARSHIP ASSISTANCE PAYMENTS ARE PRE-APPROVED BY AN ARC STAFF MEMBER,
REVIEWED AND APPROVED BY MANAGEMENT AND CREDITED TO OUTSTANDING DAY CARE
PROGRAM INVOICES FOR THE CHILD FOR WHOM SERVICES WERE PROVIDED.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

- Complete if the organization answered "Yes" to Form 990, Part IV, line 23.
► Attach to Form 990. ► See separate instructions.
► Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|---|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input checked="" type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment? **4a** ☐ Yes ☒ No
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b** ☐ Yes ☒ No
- c** Participate in, or receive payment from, an equity-based compensation arrangement? **4c** ☐ Yes ☒ No
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a** ☐ Yes ☒ No
- b** Any related organization? **5b** ☐ Yes ☒ No
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a** ☐ Yes ☒ No
- b** Any related organization? **6b** ☐ Yes ☒ No
- If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III **7** ☐ Yes ☒ No

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III **8** ☐ Yes ☒ No

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9** ☐ Yes ☒ No

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2013

Schedule J (Form 990) 2013

Page **2****Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
LAUREN PANARELLA	(i)	123,900.	0	0	7,546.	23,006.	154,452.	
1 EXEC DIRECTOR & DIR OF FINANCE	(ii)	0	0	0				
2	(i)							
	(ii)							
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

Schedule J (Form 990) 2013

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART II, COL (E), LINE 1

THE NONTAXABLE BENEFITS OF \$23,006 TOWARDS HER MEDICAL INSURANCE PAYMENT.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2013

**Open to Public
Inspection**

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

OTHER PROGRAM SERVICES

OTHER PROGRAMS RUN BY THE ORGANIZATION INCLUDE: CAMP JOTONI, FAMILY
SUPPORT SERVICES, DAY CARE, PACT, AFTER SCHOOL/AFTER WORK, CLINICAL
SUPPORT SERVICES AND OTHER VARIOUS PROGRAMS.

FORM 990, PART VI, SECTION A, LINE 6:

MEMBERS ARE BROKEN INTO TWO CLASSES, VOTING AND NON-VOTING. VOTING
MEMBERS IN GOOD STANDING ARE ELIGIBLE TO VOTE ON ALL ACTIONS BROUGHT
BEFORE THE MEMBERSHIP AT ANY DULY CONSTITUTED MEETING. STAFF EMPLOYED BY
THE ARC ARE ELIGIBLE FOR NON-VOTING, NON-OFFICE HOLDING MEMBERSHIP.

FORM 990, PART VI, SECTION A, LINE 7A:

ALL MEMBERS MUST BE DUES-PAYING MEMBERS. ALL VOTING MEMBERS HAVE THE
RIGHT TO VOTE ON ALL ACTIONS BROUGHT BEFORE THE MEMBERSHIP, SUCH AS THE
ANNUAL ELECTION OF OFFICERS AND DIRECTORS, BY-LAW CHANGES SUBMITTED TO
THE MEMBERSHIP FOR RATIFICATION, AND OTHER BUSINESS BROUGHT TO THE
MEMBERSHIP FOR CONSIDERATION. AT THE ANNUAL BUSINESS MEETING IN JUNE,
WHICH CANNOT BE WAIVED, THE MEMBERS ELECT ALL OFFICERS AND DIRECTORS.
SPECIAL MEMBERSHIP MEETINGS MAY BE CALLED WITH PROPER NOTICE. NON-VOTING
MEMBERS ARE ELIGIBLE TO ATTEND MEMBERSHIP MEETINGS, BUT ARE NOT ALLOWED
TO VOTE.

FORM 990, PART VI, SECTION B, LINE 11:

THE ARC OF SOMERSET COUNTY HAD ITS ANNUAL FY 2013 FORM 990 PREPARED BY

Name of the organization	Employer identification number
THE ARC OF SOMERSET COUNTY, INC.	22-1968555

EISNERAMPER, LLP, AN OUTSIDE ACCOUNTING FIRM. UPON COMPLETION OF THE FORM 990, IT WAS REVIEWED BY MANAGEMENT, INCLUDING, BUT NOT LIMITED TO, THE EXECUTIVE DIRECTOR, ASSOCIATE EXECUTIVE DIRECTOR, AND DIRECTOR OF FINANCE. UPON COMPLETION OF THIS REVIEW, THE FORM 990 WAS SUBMITTED ELECTRONICALLY, TO MEMBERS OF THE FINANCE COMMITTEE FOR THEIR REVIEW AND WAS DISCUSSED AT THEIR DECEMBER MEETING AND OR SPECIAL FINANCE COMMITTEE MEETING. THIS DRAFT DOCUMENT WITH ANY CHANGES WAS SUBMITTED ELECTRONICALLY TO THE BOARD OF DIRECTORS AT LEAST FIVE (5) BUSINESS DAYS PRIOR TO THEIR SCHEDULE BOARD MEETING IN JANUARY. THE FORM 990 WAS REVIEWED WITH THE BOARD OF DIRECTORS AT THIS MEETING. ANY CHANGES SUGGESTED BY THE BOARD WERE SUMMARIZED BY THE DIRECTOR OF FINANCE AND THEN FORWARDED TO OUR AUDIT FIRM FOR COMMENT. EACH ISSUE OR CONCERN WILL BE DOCUMENTED AND ADDRESSED UNTIL THE FORM 990 IS FINALIZED, APPROVED, AND SIGNED FOR FILING BY THE DIRECTOR OF FINANCE.

FORM 990, PART VI, SECTION B, LINE 12C:

THE CONFLICT OF INTEREST POLICY IS PROVIDED TO ALL BOARD MEMBERS AT THE TIME OF THEIR NOMINATION TO THE BOARD. BOARD MEMBERS ARE REQUIRED TO SIGN OFF ON THE "BOARD OF EXPECTATIONS" DOCUMENT THAT INCLUDES A CONFLICT OF INTEREST STATEMENT AND A CODE OF ETHICS. BOARD MEMBERS SIGNED OFF ON THE AGENCY'S "CODE OF CONDUCT POLICY" WHICH INCLUDES OUR AGENCY CONFLICT OF INTEREST POLICY. THIS POLICY, AND THE COMPLIANCE OF OUR BOARD MEMBERS, WILL BE MONITORED BY THE BOARD PRESIDENT, WHO WILL ADDRESS POTENTIAL CONFLICTS WITH OUR BOARD OF DIRECTORS, SHOULD THEY ARISE.

FORM 990, PART VI, SECTION B, LINE 15:

EXECUTIVE COMPENSATION IS DETERMINED BASED UPON THE JOB DESCRIPTION, THE

Name of the organization	Employer identification number
THE ARC OF SOMERSET COUNTY, INC.	22-1968555

EXPERIENCE AND THE EDUCATIONAL BACKGROUND OF THE CANDIDATE AND COMPARATIVE SALARY DATA (THE JOB TITLE IS COMPARED WITH INDUSTRY AND GEOGRAPHIC LOCATION). THE ARC OF SOMERSET COUNTY SALARY SURVEY INFORMATION FOR THE EXECUTIVE DIRECTOR WAS OBTAINED FROM SEVERAL SOURCES INCLUDING THE FOLLOWING: 1) WWW.PAYSCALE.COM 2) WWW.SALARY.COM 3) NJ ASSOCIATION OF COMMUNITY PROVIDERS AND 4) NJ ARC SALARY SURVEY. BASED UPON THE ABOVE INFORMATION, A SALARY RANGE WAS DEVELOPED TO PROVIDE CONTINUITY, FAIRNESS AND CONSISTENCY TO THE ORGANIZATION'S COMPENSATION AND RATIONALE FOR THE POSITION. ONCE THE RANGE IS DEVELOPED, THE BOARD OF DIRECTORS TAKES INTO ACCOUNT THE EXECUTIVE DIRECTOR CANDIDATE'S LEVEL OF EDUCATION AND EXPERIENCE TO MAKE A FINAL SALARY AND COMPENSATION RECOMMENDATION TO THE HUMAN RESOURCES AND COMPENSATION COMMITTEE. IF THE COMMITTEE AGREES WITH THE RECOMMENDATION, THE SALARY AND COMPENSATION RECOMMENDATION IS BROUGHT TO THE BOARD OF DIRECTORS FOR A VOTE.

FORM 990, PART VI, SECTION C, LINE 19:

THE ARC OF SOMERSET COUNTY'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

FORM 990, PART XI, LINE 5:

NET UNREALIZED GAINS (LOSSES) ON INVESTMENTS	42,878
--	--------

FORM 990, PART XII, LINE 2C:

FOR THE YEAR ENDED JUNE 30, 2014, THE ORGANIZATION HAS APPOINTED THE BOARD OF DIRECTORS TO ASSUME THE RESPONSIBILITY FOR THE OVERSIGHT OF THE

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

AUDIT OF ITS FINANCIAL STATEMENTS AND SELECTION OF THE INDEPENDENT ACCOUNTANT.

FORM 990, PART I, LINE 1:

THE ARC OF SOMERSET COUNTY PROVIDES QUALITY SERVICES AND ADVOCACY FOR INDIVIDUALS WITH DEVELOPMENTAL AND INTELLECTUAL DISABILITIES AND THEIR FAMILIES TO SUPPORT DEVELOPMENT AND ACHIEVEMENT AT EVERY STAGE OF LIFE.

FORM 990, PART XI, LINE 9:

THE ORGANIZATION TRANSFERRED CASH AND INVESTMENTS OF \$452,628 TO ARC FOUNDATION OF SOMERSET COUNTY INC (EIN: 30-0205474) DURING THE FISCAL YEAR ENDING 6/30/2014. ARC FOUNDATION OF SOMERSET COUNTY INC IS A RELATED ENTITY.

ATTACHMENT 1

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INVESTMENT INCOME	807.			807.
TOTALS	<u>807.</u>			<u>807.</u>

ATTACHMENT 2

FORM 990, PART VIII - FUNDRAISING EVENTS

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES	NET INCOME
FUNDRAISING	124,389.	45,819.	78,570.
TOTALS	<u>124,389.</u>	<u>45,819.</u>	<u>78,570.</u>

**SCHEDULE R
(Form 990)**Department of the Treasury
Internal Revenue Service**Related Organizations and Unrelated Partnerships**▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.**▶ **Attach to Form 990.**▶ **See separate instructions.**▶ **Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.**

OMB No. 1545-0047

2013**Open to Public
Inspection**

Name of the organization

THE ARC OF SOMERSET COUNTY, INC.

Employer identification number

22-1968555

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) _____					
(2) _____					
(3) _____					
(4) _____					
(5) _____					
(6) _____					

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) ARC COMMUNITY HOUSING OPPORTUNITIES 22-3470776 141 SOUTH MAIN STREET MANVILLE, NJ 08835	LOW INCOME	NJ	501(C)(3)	LINE 9	N/A	X	
(2) ARC HOUSING OF SOMERSET, INC. 22-2813769 141 SOUTH MAIN STREET MANVILLE, NJ 08835	LOW INCOME	NJ	501(C)(3)	LINE 7	N/A	X	
(3) SOMERSET ARC APARTMENTS, INC. 22-2537989 141 SOUTH MAIN STREET MANVILLE, NJ 08835	LOW INCOME	NJ	501(C)(3)	LINE 7	N/A	X	
(4) ARC FOUNDATION OF SOMERSET COUNTY 30-0205474 141 SOUTH MAIN STREET MANVILLE, NJ 08835	LOW INCOME	NJ	501(C)(3)	LINE 7	N/A	X	
(5) _____							
(6) _____							
(7) _____							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2013

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) _____												
(2) _____												
(3) _____												
(4) _____												
(5) _____												
(6) _____												
(7) _____												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percen- tage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) _____									
(2) _____									
(3) _____									
(4) _____									
(5) _____									
(6) _____									
(7) _____									

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

	Yes	No
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b Gift, grant, or capital contribution to related organization(s)		X
c Gift, grant, or capital contribution from related organization(s)		X
d Loans or loan guarantees to or for related organization(s)	X	
e Loans or loan guarantees by related organization(s)	X	
f Dividends from related organization(s)		X
g Sale of assets to related organization(s)		X
h Purchase of assets from related organization(s)		X
i Exchange of assets with related organization(s)		X
j Lease of facilities, equipment, or other assets to related organization(s)		X
k Lease of facilities, equipment, or other assets from related organization(s)		X
l Performance of services or membership or fundraising solicitations for related organization(s)		X
m Performance of services or membership or fundraising solicitations by related organization(s)		X
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	X	
o Sharing of paid employees with related organization(s)	X	
p Reimbursement paid to related organization(s) for expenses		X
q Reimbursement paid by related organization(s) for expenses	X	
r Other transfer of cash or property to related organization(s)	X	
s Other transfer of cash or property from related organization(s)	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI **Unrelated Organizations Taxable as a Partnership** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under section 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1) _____													
(2) _____													
(3) _____													
(4) _____													
(5) _____													
(6) _____													
(7) _____													
(8) _____													
(9) _____													
(10) _____													
(11) _____													
(12) _____													
(13) _____													
(14) _____													
(15) _____													
(16) _____													

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).



**THE ARC OF SOMERSET COUNTY,
INC. AND AFFILIATES**

(A New Jersey Not-for-Profit Organization)

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2014
(with supplementary information)

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Arc of Somerset County, Inc. and Affiliates
(A New Jersey Not-for-Profit Organization)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Arc of Somerset County, Inc. and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of June 30, 2014 and the related consolidated statements of activities and changes in net assets, functional expenses, functional expenses – program services, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the consolidated 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 Organization'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Arc of Somerset County, Inc. and Affiliates, as of June 30, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated schedule of expenditures of federal, state and county awards is presented for the purpose of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and State of New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidated schedule of expenditures of federal, state and county awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, on our consideration of the Organization'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 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 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 Organization's internal control over financial reporting and compliance.

EisnerAmper LLP

Iselin, New Jersey
December 19, 2014

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Consolidated Statement of Financial Position
June 30, 2014

ASSETS

Current assets:

Cash and cash equivalents	\$ 1,767,572
Accounts receivable, net	75,238
Grants receivable	275,315
Investments	256,073
Prepaid expenses	<u>75,737</u>

2,449,935

Land, property and equipment, net

4,854,749

Other assets:

Funded reserves	109,706
Mortgage refinancing costs, net	51,517
Other assets	<u>23,160</u>

\$ 7,489,067

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	\$ 1,596,815
Deferred revenue	184,227
Loans and mortgages payable - current maturities	<u>115,188</u>

1,896,230

Loans and mortgages payable, net of current maturities

5,441,392

7,337,622

NET ASSETS (DEFICIT)

Unrestricted	(9,689)
Temporarily restricted	<u>161,134</u>

Total net assets 151,445

\$ 7,489,067

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Consolidated Statement of Activities and Changes in Net Assets
Year Ended June 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Operating support and revenues:			
Federal, state and county financial assistance	\$ 15,589,426	\$ -	\$ 15,589,426
Tuition and fees	457,027	-	457,027
Rent	417,006	-	417,006
Contracts, projects and grants	283,925	-	283,925
Fundraising	124,389	-	124,389
United Way	43,125	-	43,125
Contributions	149,275	85,133	234,408
Other revenue	311,544	-	311,544
	<u>17,375,717</u>	<u>85,133</u>	<u>17,460,850</u>
Total operating support and revenues			
	17,375,717	85,133	17,460,850
Net assets released from restrictions	<u>71,378</u>	<u>(71,378)</u>	<u>-</u>
	<u>17,447,095</u>	<u>13,755</u>	<u>17,460,850</u>
Operating expenses:			
Program services	17,612,820	-	17,612,820
Support services	248,693	-	248,693
	<u>17,861,513</u>	<u>-</u>	<u>17,861,513</u>
Total operating expenses			
	17,861,513	-	17,861,513
Deficiency of operating support and revenue over operating expenses	(414,418)	13,755	(400,663)
Other changes:			
Investment income	44,703	-	44,703
Gain on sale of property and equipment	150,166	-	150,166
	<u>(219,549)</u>	<u>13,755</u>	<u>(205,794)</u>
Change in nets assets			
	(219,549)	13,755	(205,794)
Net assets, beginning of year, as originally reported	815,647	147,379	963,026
Restatement to reflect correction of error on prior financial statement	(605,787)	-	(605,787)
Net assets, beginning of year, as restated	<u>209,860</u>	<u>147,379</u>	<u>357,239</u>
Net assets, end of year	<u>\$ (9,689)</u>	<u>\$ 161,134</u>	<u>\$ 151,445</u>

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Consolidated Statement of Functional Expenses
Year Ended June 30, 2014

	<u>Program Services</u>	<u>Support Services</u>	<u>Total</u>
Direct expenses:			
Personnel	\$ 10,096,371	\$ 2,450,639	\$ 12,547,010
Travel and transportation	668,965	15,659	684,624
Facility costs	1,020,969	111,253	1,132,222
Materials and supplies	520,446	57,851	578,297
Consultants and professional fees	1,095,755	221,857	1,317,612
Fundraising	-	45,819	45,819
Specific assistance	120,533	-	120,533
Business insurance	160,076	21,681	181,757
Communications	125,586	30,945	156,531
Interest	125,651	58,183	183,834
Real estate taxes	8,355	-	8,355
Other	178,074	167,435	345,509
	<u>14,120,781</u>	<u>3,181,322</u>	<u>17,302,103</u>
Allocated administrative expenses	<u>2,995,794</u>	<u>(2,995,794)</u>	<u>-</u>
 Total expenses before depreciation and amortization	 <u>17,116,575</u>	 <u>185,528</u>	 <u>17,302,103</u>
Depreciation and amortization	<u>496,245</u>	<u>63,165</u>	<u>559,410</u>
	<u><u>\$ 17,612,820</u></u>	<u><u>\$ 248,693</u></u>	<u><u>\$ 17,861,513</u></u>

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Consolidated Statement of Functional Expenses - Program Services
Year Ended June 30, 2014

	Residential Services	Employment Services	Early Intervention Program	Camp Jotoni	Family Support Services	Day Care	P.A.C.T.	After School/ After Work/	Clinical Support Services	All Other Programs	Subtotal	Total HUD	Total Foundation	Total ACHO	Total Program Services
Direct expenses:															
Personnel	\$ 7,126,658	\$ 1,761,557	\$ 160,421	\$ 283,082	\$ 31,956	\$ 305,864	\$ 150,801	\$ 50,889	\$ 68,998	\$ 156,145	\$ 10,096,371	\$ -	\$ -	\$ -	\$ 10,096,371
Travel and transportation	111,822	436,315	-	20,578	23	-	5,063	90,800	4,307	57	668,965	-	-	-	668,965
Facility costs	413,215	378,023	2,354	59,996	-	23,951	-	-	-	4,868	882,407	134,357	-	4,205	1,020,969
Materials and supplies	344,138	73,862	7,729	74,792	29	8,757	786	230	866	4,323	515,512	4,578	356	-	520,446
Consultants and professional fees	221	7,748	993,882	385	-	3,078	-	-	-	450	1,005,764	16,000	9,400	64,591	1,095,755
Specific assistance	-	-	-	-	115,486	-	5,047	-	-	-	120,533	-	-	-	120,533
Business insurance	95,471	44,433	6,512	2,570	301	2,114	1,147	845	-	6,683	160,076	-	-	-	160,076
Communications	79,430	35,763	1,718	1,772	175	3,837	288	284	350	1,979	125,586	-	-	-	125,586
Interest	-	-	-	-	-	-	-	-	-	-	-	121,205	-	-	125,651
Real estate taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	8,365	8,365
Other	13,745	110,488	(148)	27,812	(1,170)	10,482	(214)	(190)	-	(6,187)	154,618	3,731	17,203	2,522	178,074
	8,184,700	2,848,179	1,172,468	470,987	146,800	358,083	162,918	142,858	74,521	168,318	13,729,832	279,871	26,959	84,119	14,120,781
Allocated administrative expenses	1,829,997	839,415	150,562	71,971	18,960	79,983	23,343	15,624	(74,521)	40,460	2,995,794	-	-	-	2,995,794
Total expenses before depreciation and amortization	10,014,697	3,687,594	1,323,030	542,958	165,760	438,066	186,261	158,482	-	208,778	16,725,626	279,871	26,959	84,119	17,116,575
Depreciation and amortization	261,164	105,286	-	26,031	-	4,041	-	-	-	-	396,522	99,723	-	-	496,245
	<u>\$ 10,275,861</u>	<u>\$ 3,792,880</u>	<u>\$ 1,323,030</u>	<u>\$ 568,989</u>	<u>\$ 165,760</u>	<u>\$ 442,107</u>	<u>\$ 186,261</u>	<u>\$ 158,482</u>	<u>\$ -</u>	<u>\$ 208,778</u>	<u>\$ 17,122,148</u>	<u>\$ 379,594</u>	<u>\$ 26,959</u>	<u>\$ 84,119</u>	<u>\$ 17,612,820</u>

See notes to consolidated financial statements

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Consolidated Statement of Cash Flows
Year Ended June 30, 2014

Cash flows from operating activities:

Change in net assets	\$ (205,794)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization expense	559,410
Net unrealized gain on investments	(40,248)
Gain on sale of property and equipment	(150,166)
Change in assets and liabilities:	
Accounts receivable	120,038
Grants receivable	129,273
Prepaid expenses	114,880
Funded reserves	(21,017)
Other assets	8,587
Accounts payable and accrued expenses	26,571
Deferred revenue	43,595
Other liabilities	(8,588)
	<hr/>
Net cash provided by operating activities	<u>576,541</u>

Cash flows from investing activities:

Purchases of property and equipment	(214,135)
Proceeds from sale of property and equipment	633,575
Proceeds from sale of investments	45,550
	<hr/>
Net cash used in investing activities	<u>464,990</u>

Cash flows from financing activities:

Borrowings on loans and mortgages payable	26,657
Payments on loans and mortgages payable	(205,077)
	<hr/>
Net cash used in financing activities	<u>(178,420)</u>

Net change in cash and cash equivalents

Cash and cash equivalents at beginning of year	<u>904,461</u>
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Cash and cash equivalents at end of year

\$ 1,767,572

Supplemental disclosures of cash flow information:

Cash paid for interest	\$ 183,000
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THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES

(A New Jersey Not-for-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Nature of organization:

The Arc of Somerset County, Inc. ("The Arc") is a private, not-for-profit organization that is dedicated to providing supports and services to children and adults with intellectual/developmental disabilities in Somerset County and the surrounding areas. A full range of programs and services are available to children, adults and families that encompass the entire life span. The Arc focuses on meeting the unique needs of each individual and providing comprehensive services to meet those needs. The Arc provides therapeutic, educational, social and recreational programs for children through the Jerry Davis Center for Children and Families. Adult services include residential, vocational and recreational activities that allow for maximum independence in a community setting. The goal of The Arc is to promote development and achievement for all individuals served.

[2] Consolidation policy:

The consolidated financial statements include the accounts of The Arc, Somerset Arc Apartments, Inc., Arc Housing of Somerset, Inc., Arc Community Housing Opportunities, Inc. ("ACHO") and The Arc Foundation of Somerset County, Inc. ("Foundation") (collectively, the "Organization"), all of which are under common control and have economic interest in each other. All intercompany accounts and transactions have been eliminated in consolidation.

[3] Basis of presentation:

The Organization has presented its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under this guidance, the Organization is required to report information regarding its consolidated financial position and activities according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

- Permanently restricted net assets – net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.
- Temporarily restricted net assets – net assets subject to donor-imposed restrictions that will be met by actions of the Organization or by the passage of time.
- Unrestricted net assets – net assets not subject to donor-imposed restrictions.

The Organization had no permanently restricted net assets as of June 30, 2014.

[4] Revenue recognition:

The Organization receives its operating support predominantly in the form of grants or contracts, primarily from the Division of Developmental Disabilities, and other state and county agencies. Grant and contract revenue is recognized as expenditures are made from the particular grant or contract.

The Organization records contributions and grants as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. The Organization records contributions as revenue in the period received, at their fair value. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities and changes in net assets, as net assets released from restrictions.

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES

(A New Jersey Not-for-Profit Organization)

Notes to Consolidated Financial Statements

June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[5] Use of estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

[6] Cash and cash equivalents:

For the purposes of the consolidated statement of financial position and cash flows, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts and, as such, believes it is not exposed to any significant credit risk on cash and cash equivalents.

[7] Accounts receivable:

Accounts receivable consist primarily of tenant, program and tuition revenue billed to individuals due upon a specific time, dependent upon the agreement. The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible amounts, as determined by management. Allowance for doubtful accounts was not deemed necessary at June 30, 2014.

[8] Grants receivable:

Grants receivable consist of funding to be received from various federal, state and county agencies for several of the Organization's programs.

[9] Investments:

Investments in marketable securities with readily determinable fair values are reported at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities and changes in net assets, and are included in investment income.

[10] Income tax status:

The Organization operates under a group tax exemption obtained by The Arc of New Jersey under Internal Revenue Code Section 501(c)(3). It is also exempt from New Jersey income taxes due to its incorporating as a New Jersey not-for-profit corporation.

Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements. The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any. There was no income tax-related interest or penalties recorded for the year ended June 30, 2014. The income tax returns of the Organization for the years ended June 30, 2013, 2012, and 2011 are subject to examination by the Internal Revenue Service and other taxing authorities, generally for three years after they were filed.

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Notes to Consolidated Financial Statements
June 30, 2014

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Land, property and equipment:

Land, property and equipment are stated at cost. The U.S. Department of Housing and Urban Development ("HUD") regulates the HUD properties, and the entire operations of the projects are regulated by the Regulatory Agreement under Section 202 of the Housing Act of 1959. The Organization follows the practice of capitalizing at cost all expenditures for property and equipment in excess of \$5,000. Depreciation is computed on a straight-line basis over the useful lives of the assets, generally as follows:

	<u>Estimated Life (Years)</u>
Land improvements	10 - 27.5 years
Buildings and improvements	10 - 27.5 years
Furniture and equipment	3 - 10 years
Vehicles	3 - 5 years
Leasehold improvements	Shorter of the useful life or lease term

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2014, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[12] Mortgage refinancing costs:

Mortgage refinancing costs totaling approximately \$87,000 at June 30, 2014 are being amortized on the straight-line method over the lives of the loans. Accumulated amortization is approximately \$36,000 at June 30, 2014. Amortization included as a charge to income amounted to approximately \$4,000 for the year ended June 30, 2014. The approximate amount of amortization for each of the five years subsequent to June 30, 2014 is \$4,000.

[13] Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets, and consolidated statement of functional expenses. Accordingly, costs are allocated among the programs and supporting services benefited, based on evaluation of the related benefits. Supporting services expenses include those expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the Organization.

[14] Subsequent events:

The Organization's management has evaluated subsequent events through December 19, 2014, the date the consolidated financial statements were available to be issued.

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES

(A New Jersey Not-for-Profit Organization)

Notes to Consolidated Financial Statements June 30, 2014

NOTE B - INVESTMENTS

Investments are recorded at fair value and consist of the following as of June 30, 2014:

Equity mutual funds	\$ 151,565
Exchange traded funds	52,205
Common stock	<u>52,303</u>
	<u>\$ 256,073</u>

The components of investment income for the year ended June 30, 2014 are as follows:

Interest and dividends	\$ 4,455
Unrealized gain on investments	<u>40,248</u>
	<u>\$ 44,703</u>

NOTE C - FAIR VALUE MEASUREMENTS

The *Fair Value Measurements and Disclosures* topic establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. *Fair Value Measurements and Disclosures* define fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants. In determining fair value, the Organization uses various valuation approaches, including market, income and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements).

Level 1 – Quoted prices for identical assets or liabilities in active markets.

Level 2 – Quoted prices of similar instruments in active markets; quoted prices of identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Significant inputs to the valuation model are unobservable.

The methods of valuation described herein may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2014.

Mutual funds and exchange traded funds—Valued at quoted market prices that represent the net asset value of shares held by the Organization at the end of the year.

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Notes to Consolidated Financial Statements
June 30, 2014

NOTE C - FAIR VALUE MEASUREMENTS (CONTINUED)

Common stock – Valued at the closing price reported on the active market on which the individual securities are traded.

The following table sets forth, by level, the Organization's assets at fair value, within the fair value hierarchy, as of June 30, 2014:

	Assets at Fair Value as of June 30, 2014			
	Level 1	Level 2	Level 3	Total
Equity mutual funds	\$ 151,565	\$ -	\$ -	\$ 151,565
Exchange traded funds	52,205	-	-	52,205
Common stock	52,303	-	-	52,303
	<u>\$ 256,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,073</u>

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the year ended June 30, 2014, there were no transfers into or out of levels 1, 2 or 3.

NOTE D - LAND, PROPERTY AND EQUIPMENT

Land, property and equipment consist of the following at June 30, 2014:

Land and land improvements	\$ 784,279
Buildings and improvements	10,142,963
Leasehold improvements	124,444
Furniture and equipment	1,842,737
Vehicles	2,138,038
Software	11,599
Construction in progress	<u>17,772</u>
	15,061,832
Less accumulated depreciation	<u>10,207,083</u>
Land, property and equipment, net	<u>\$ 4,854,749</u>

Depreciation expense for the year ended June 30, 2014 was \$555,000.

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Notes to Consolidated Financial Statements
June 30, 2014

NOTE E - LOANS AND MORTGAGES PAYABLE

The following is a summary of loans and mortgages payable at June 30, 2014:

The Organization has various mortgages payable to the State of New Jersey, Department of Human Services for various group homes. The mortgages and related funding agreements are non-interest bearing and do not have to be repaid as long as the Organization uses the property to house eligible individuals and is not in default of the terms of the respective agreement. At the end of the term of the respective agreement, the State of New Jersey has the option to renew the agreement, transfer title or require payment.

\$ 2,827,766

Bonds issued by the New Jersey Economic Development Authority, payable in monthly installments of \$11,299 including interest, due March 2026, bearing interest at a rate of 4.51%, and collateralized by real property at the Organization's administrative offices and preschool facilities in Manville, New Jersey, and real property at the Branchburg condominium.

1,219,373

Loan payable to Somerset County (if the home is maintained in accordance with the agreement, the loan will be forgiven without interest in 2019), and collateralized by real property of the Rocky Hill Group Home.

105,000

Mortgage payable to U.S. Department of Housing and Urban Development, payable in monthly installments of \$7,225 including interest, due November 2032, bearing interest at 9%, and collateralized by real property of Arc Housing of Somerset, Inc.

778,608

Mortgage payable to the Federal Home Loan Bank (if the home is maintained in accordance with the agreement, the mortgage will be forgiven without interest in 2018), and collateralized by real property of the Rocky Hill Group Home.

72,000

Mortgage payable to U.S. Department of Housing and Urban Development, payable in monthly installments of \$5,553 including interest, due October 2029, bearing interest at 9%, and collateralized by real property of Somerset Arc Apartments, Inc.

553,833

Total loans and mortgages payable

5,556,580

Less current maturities

115,188

Loans and mortgages payable, net of current maturities

\$ 5,441,392

The approximate aggregate loans and mortgages payable over the next five fiscal years and thereafter are as follows:

Year Ending
June 30,

2015	\$ 115,000
2016	122,000
2017	130,000
2018	138,000
2019	251,000
Thereafter	4,801,000

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Notes to Consolidated Financial Statements
June 30, 2014

NOTE E - LOANS AND MORTGAGES PAYABLE (CONTINUED)

Total interest expense incurred for all loans and mortgages during the year ended June 30, 2014 was approximately \$193,000.

The Organization has a line of credit with Santander Bank with an overall limitation of \$500,000, which expires when all of the Organization's loans with Santander Bank have been paid in full, or until such time as the parties agree to terminate the agreement. Borrowings under the line of credit bear interest at prime rate and are due on demand. The line of credit is collateralized by substantially all of the Organization's assets. As of June 30, 2014, there was no outstanding balance. The prime rate at June 30, 2014 was 3.25%. The line of credit is subject to a minimum debt service ratio covenant.

NOTE F - DEFERRED REVENUE

Deferred revenue represents funds collected for various programs for tuition and fees, which programs had not taken place as of June 30, 2014.

NOTE G - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

Programming	<u>\$ 161,134</u>
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NOTE H - PENSION PLAN

The Organization has a defined contribution savings plan (the "Plan") under section 401(k) of the Internal Revenue Code. The Plan covers substantially all nonunion employees who meet minimum age and service requirements and allows participants to defer a portion of their eligible annual compensation on a pre-tax or after-tax basis and for the Organization to make matching contributions, and non-elective profit-sharing contributions. The employer matching percentage and non-elective profit-sharing are both discretionary, and are determined by the Organization. Contributions to the Plan during the year ended June 30, 2014 were approximately \$341,000.

NOTE I - OPERATING LEASES

The Organization leases building space, apartments and equipment under operating leases expiring through February 2019. Total lease expense for the year ended June 30, 2014 was approximately \$396,000.

The approximate aggregate minimum future rental payments for each of the next five years, under noncancelable operating leases having remaining terms in excess of one year as of June 30, 2014 are:

<u>Year Ending</u> <u>June 30,</u>	
2015	\$ 315,000
2016	258,000
2017	228,000
2018	131,000
2019	17,000

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES

(A New Jersey Not-for-Profit Organization)

Notes to Consolidated Financial Statements June 30, 2014

NOTE J - CONCENTRATION OF SUPPORT RISK

The Organization receives approximately 89% of its support from the New Jersey Department of Human Services, Division of Developmental Disabilities, New Jersey Department of Labor, Division of Vocational Rehabilitation, and the Somerset County Department of Human Services. Contracts with these agencies must be renewed annually, and there could be a significant impact on the Organization and its ability to continue its operations should funding for these programs be diminished. The Organization does not expect that the support from these agencies will diminish in the near term.

NOTE K - COMMITMENTS AND CONTINGENCIES

Some of the Organization's financial assistance comes from the State of New Jersey, in the form of grants. The grants are subject to compliance with the terms and conditions of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial compliance audits by the grantors.

The Organization entered into agreements with HUD under Housing Assistance Payment ("HAP") contracts for the purpose of providing housing assistance payments for eligible participants. Pursuant to the HAP agreements, the Organization recorded, and included in rent in the consolidated statement of activities, the following amounts of assistance for the year ended June 30, 2014:

Arc Housing of Somerset, Inc.	\$ 175,130
Somerset Arc Apartments, Inc.	127,374

NOTE L - RESTATEMENT

As of July 1, 2013, the net assets of the Organization have been restated to reflect the adjustment of certain mortgages payable to the State of New Jersey, Department of Human Services. The effect of the correction of the error results in an increase in loans and mortgages payable and a decrease in unrestricted net assets of \$605,787.

NOTE M - SUBSEQUENT EVENTS

In September 2014, ACHO was dissolved and all remaining net assets and operations were transferred to The Arc.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Arc of Somerset County, Inc. and Affiliates
(A New Jersey Not-for-Profit Organization)

We have audited, in accordance with the 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, the consolidated financial statements of The Arc of Somerset County, Inc. and Affiliates (the "Organization"), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and changes in net assets, functional expenses, functional expenses – program services, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 19, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purpose.

EisnerAmper LLP

Iselin, New Jersey
December 19, 2014

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND STATE OF NEW JERSEY OMB CIRCULAR LETTER 04-04

INDEPENDENT AUDITORS' REPORT

Board of Directors
The Arc of Somerset County, Inc. and Affiliates
(A New Jersey Not-for-Profit Organization)

Report on Compliance for Each Major Federal, State and County Program

We have audited The Arc of Somerset County, Inc. and Affiliates' (the "Organization") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget Circular A-133 *Compliance Supplement* and State of New Jersey OMB Circular Letter 04-04, that could have a direct and material effect on each of the Organization's major federal, state and county programs for the year ended June 30, 2014. The Organization's major federal, state and county programs are identified in the summary of auditors' results section of the accompanying consolidated schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal, state and county programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal, state and county programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and State of New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and State of New Jersey OMB Circular Letter 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal, state or county program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal, state and county program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal, State and County Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal, state and county programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal, state and county programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal, state and county program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of New Jersey OMB Circular Letter 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal, state and county program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal, state and county program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal, state or county program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and State of New Jersey OMB Circular Letter 04-04. Accordingly, this report is not suitable for any other purpose.

EisnerAmper LLP

Iselin, New Jersey
December 19, 2014

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES

(A New Jersey Not-for-Profit Organization)

**Consolidated Schedule of Expenditures of Federal, State and County Awards
Year Ended June 30, 2014**

Federal Grantor/ Pass-through Grantor Program Title	CFDA Number	Award Number	Award Period	Expenditures
State of New Jersey, Department of Human Services, Division of Developmental Disabilities:				
Residential	N/A	02-TX-14-C	07-01-13 to 06-30-14	\$ 9,739,831
Employment Services	N/A	02-TX-14-C	07-01-13 to 06-30-14	3,340,346
P.A.C.T. (Parents and Children Together)	N/A	02-TX-14-C	07-01-13 to 06-30-14	141,903
Camp Jotoni	N/A	02-TX-14-C	07-01-13 to 06-30-14	89,597
After Work Programs	N/A	02-TX-14-C	07-01-13 to 06-30-14	73,835
In Home Respite	N/A	02-TX-14-C	07-01-13 to 06-30-14	79,973
Total				<u>13,465,485</u>
State of New Jersey, Department of Human Services, Division of Children and Families:				
Day Care	N/A	13KTTR & 14NDTR	07-01-13 to 06-30-14	59,319
After School	N/A	13KTTR & 14NDTR	07-01-13 to 06-30-14	51,204
Camp	N/A	13KTTR	07-01-13 to 06-30-14	135,011
Saturday Respite	N/A	13KTTR & 14NDTR	07-01-13 to 06-30-14	11,184
In-Home Respite	N/A	13KTTR & 14NDTR	07-01-13 to 06-30-14	122,539
Total				<u>379,257</u>
N.J. Department of Labor: Division of Vocational Rehabilitation:				
Extended Employment	N/A	DVRS 2013-26	07-01-13 to 06-30-14	291,227
Long-Term Follow Along	N/A	DVRS 2014-144	07-01-13 to 06-30-14	14,688
Total				<u>305,915</u>
N.J. Department of Health and Senior Services: Early Intervention Program - Letter of Agreement	N/A	03-233-EIP-N-2	07-01-13 to 06-30-14	<u>1,307,892</u>

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES

(A New Jersey Not-for-Profit Organization)

Consolidated Schedule of Expenditures of Federal, State and County Awards (continued)**Year Ended June 30, 2014**

Federal Grantor/ Pass-through Grantor Program Title	CFDA Number	Award Number	Award Period	Expenditures
Somerset County: Department of Human Services: Board of Chosen Freeholders	N/A	CY-COM-0011-14-SC-14-03	01-01-14 to 12-31-14	<u>\$ 66,077</u>
Somerset County: Department of Labor and Workforce Development Skills4Jersey	N/A	N/A	07-01-13 to 04-01-14	<u>64,800</u>
Direct Program: Housing Assistance Payment Program: Arc Housing of Somerset, Inc.	14.195	N/A	07-01-13 to 06-30-14	175,130
Somerset Arc Apartments, Inc.	14.195	N/A	07-01-13 to 06-30-14	<u>127,374</u>
Total				<u>302,504</u>
				<u><u>\$ 15,891,930</u></u>

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES

(A New Jersey Not-for-Profit Organization)

Consolidated Schedule of Expenditures of Federal, State and County Awards (continued)
Year Ended June 30, 2014**NOTE A - BASIS OF PRESENTATION**

The accompanying consolidated schedule of expenditures of federal, state and county awards includes the grant activity of The Arc of Somerset County, Inc. and Affiliates and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic consolidated financial statements. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements.

NOTE B - LOANS OUTSTANDING

The Organization had the following mortgage notes payable at June 30, 2014:

<u>Federal Grantor/Pass-through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Outstanding</u>
Department of Housing and Urban Development:		
Arc Housing of Somerset, Inc.	14.157	\$ 778,608
Somerset Arc Apartments, Inc.	14.157	553,832
State of New Jersey Department of Human Services/Department of Developmental Disabilities	N/A	2,827,766

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES
(A New Jersey Not-for-Profit Organization)

Consolidated Schedule of Findings and Questioned Costs
Year Ended June 30, 2014

Section I – Summary of Auditors' Results

Consolidated Financial Statements

Type of auditors' report issued: Unmodified

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Noncompliance material to consolidated financial statements noted? No

Federal, State and County Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 501(a) of Circular A-133? No

Identification of Major Programs:

Name of Federal or State Program or Cluster:

State ID # 02-TX-14C

NJ Department of Human Services, Division of Developmental Disabilities

14.157

Department of Housing and Urban Development:
Arc Housing of Somerset, Inc.
Somerset Arc Apartments, Inc.

14.195

Housing Assistance Payment Program:
Arc Housing of Somerset, Inc.
Somerset Arc Apartments, Inc.

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes

THE ARC OF SOMERSET COUNTY, INC. AND AFFILIATES

(A New Jersey Not-for-Profit Organization)

Consolidated Schedule of Findings and Questioned Costs (continued)
Year Ended June 30, 2014

Section II – Financial Statement Findings

None.

Section III – Federal, State and County Award Findings and Questioned Costs

None.

Section IV – Summary Schedule of Prior Year Findings

2013-01 Failure to timely submit standard attendance sheets for award numbers 02-TX-13-C and 13KTTR –
Division of Development Disabilities and Division of Children and Families.

Criteria

Pursuant to the aforementioned grants, the Organization is required to submit standard attendance sheets by the 10th day following the close of the reporting period.

Recommendation

We recommend the Organization revise and adjust, if needed, their controls over the submission of attendance reports to ensure timely submissions in the future.

Current Status:

This finding has been corrected.