



CONSOLIDATED FINANCIAL STATEMENTS  
WITH CONSOLIDATING INFORMATION

December 31, 2022 and 2021

## CONTENTS

Independent Auditor's Report .....	1
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities.....	4
Consolidated Statements of Functional Expenses .....	5
Consolidated Statements of Cash Flows .....	9
Notes to Financial Statements .....	10
Consolidating Schedules of Financial Position .....	18
Consolidating Schedules of Activities .....	20

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Finance Committee  
American Network of Community Options and Resources  
Alexandria, Virginia

### **Opinion**

We have audited the financial statements of American Network of Community Options and Resources, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of American Network of Community Options and Resources as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Network of Community Options and Resources and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Adoption of New Accounting Guidance**

As discussed in Note 1 to the financial statements, American Network of Community Options and Resources adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, and all subsequently issued clarifying ASUs as of January 1, 2022. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Network of Community Options and Resources' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of American Network of Community Options and Resources' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Network of Community Options and Resources' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Consolidating Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidating schedules of financial position and activities are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Alexandria, Virginia  
June 5, 2023

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
December 31, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 941,316	\$ 738,007
Accounts receivable	141,167	150,161
Prepaid expenses	100,773	94,971
Total current assets	1,183,256	983,139
<b>PROPERTY AND EQUIPMENT</b>		
Office condominium	-	475,770
Membership software	423,516	373,437
Website	325,075	201,120
Equipment	35,704	111,296
Property and equipment	784,295	1,161,623
Less accumulated depreciation	(503,541)	(778,020)
Property and equipment, net	280,754	383,603
<b>OTHER ASSETS</b>		
Investments	4,002,234	3,129,819
Finance lease right-of-use asset	7,880	-
Deferred compensation asset	36,383	29,500
Deposits	50,000	2,150
<b>Total assets</b>	<b>\$ 5,560,507</b>	<b>\$ 4,528,211</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 119,623	\$ 107,588
Accrued payroll	29,927	28,977
Accrued vacation	79,467	66,879
Deferred revenue	999,443	768,593
Current portion of finance lease liability	3,840	-
Current portion of capital lease payable	-	1,074
Total current liabilities	1,232,300	973,111
<b>LONG-TERM LIABILITIES</b>		
Finance lease liability less current portion	4,077	-
Deferred compensation liability	36,383	29,500
Total liabilities	1,272,760	1,002,611
<b>NET ASSETS</b>		
Without donor restrictions	4,254,356	3,448,180
With donor restrictions	33,391	77,420
Total net assets	4,287,747	3,525,600
<b>Total liabilities and net assets</b>	<b>\$ 5,560,507</b>	<b>\$ 4,528,211</b>

See accompanying notes.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Membership dues	\$ 2,779,429	\$ -	\$ 2,779,429	\$ 2,645,382	\$ -	\$ 2,645,382
Affinity programs	-	-	-	291	-	291
Conferences and seminars	1,264,950	-	1,264,950	701,608	-	701,608
Contributions	55,231	33,407	88,638	49,389	30,125	79,514
Grant revenue	118,117	-	118,117	55,104	-	55,104
Investment return, net	(223,611)	-	(223,611)	219,632	-	219,632
Advertising	108,472	-	108,472	111,641	-	111,641
Royalties	120,242	-	120,242	143,389	-	143,389
Miscellaneous	248	-	248	4,287	-	4,287
Publications	3,650	-	3,650	6,250	-	6,250
<b>Total support and revenue</b>	<b>4,226,728</b>	<b>33,407</b>	<b>4,260,135</b>	<b>3,936,973</b>	<b>30,125</b>	<b>3,967,098</b>
<b>EXPENSES</b>						
Program services						
Institute for Community Inclusion	-	-	-	82,739	-	82,739
Conferences and Seminars	784,004	-	784,004	337,068	-	337,068
Legacy Leader Circle	66,088	-	66,088	50,072	-	50,072
Communications	432,076	-	432,076	359,820	-	359,820
Membership Services	611,611	-	611,611	384,059	-	384,059
National Advocacy Campaign	28,218	-	28,218	27,586	-	27,586
Government Relations & Public Policy	888,421	-	888,421	861,805	-	861,805
Puerto Rico DEIA Initiative	20,740	-	20,740	-	-	-
ISE Public Awareness Campaign	-	-	-	65,441	-	65,441
Supporting activities						
Management & General	763,652	-	763,652	713,097	-	713,097
Leadership & Governance	368,740	-	368,740	296,523	-	296,523
Membership Development	134,389	-	134,389	151,813	-	151,813
Partnership Development	120,058	-	120,058	90,249	-	90,249
Fundraising	51,808	-	51,808	29,903	-	29,903
<b>Total expenses</b>	<b>4,269,805</b>	<b>-</b>	<b>4,269,805</b>	<b>3,450,175</b>	<b>-</b>	<b>3,450,175</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>						
Satisfaction of purpose restrictions	77,436	(77,436)	-	53,216	(53,216)	-
<b>OTHER CHANGES</b>						
Gain on sale of building	771,817	-	771,817	-	-	-
<b>Change in net assets</b>	<b>806,176</b>	<b>(44,029)</b>	<b>762,147</b>	<b>540,014</b>	<b>(23,091)</b>	<b>516,923</b>
Net assets at beginning of year	3,448,180	77,420	3,525,600	2,908,166	100,511	3,008,677
<b>Net assets at end of year</b>	<b>\$ 4,254,356</b>	<b>\$ 33,391</b>	<b>\$ 4,287,747</b>	<b>\$ 3,448,180</b>	<b>\$ 77,420</b>	<b>\$ 3,525,600</b>

See accompanying notes.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2022

	Program Services						
	Conferences and Seminars	Legacy Leader Circle	Communications	Membership Services	National Advocacy Campaign	Government Relations & Public Policy	Puerto Rico DEIA Initiative
Grants and assistance	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Personnel	223,277	26,369	249,897	381,655	-	553,354	2,366
Professional fees	92,788	25,097	113,481	53,884	18,010	172,367	12,031
Advertising	-	-	7,850	-	-	-	-
Office expenses	49,421	1,060	8,190	32,937	4,817	10,134	19
Information technology	214,978	2,538	25,917	64,363	924	34,637	72
Occupancy	4,409	-	6,086	7,308	-	15,431	23
Travel	28,857	693	2,820	31,956	-	16,743	6,163
Conferences and meetings	143,402	8,067	-	-	-	10,352	-
Depreciation	5,516	167	7,613	9,143	-	14,043	29
Insurance	7,734	-	2,414	2,898	-	4,452	9
Dues and subscriptions	-	-	479	-	-	42,657	-
Taxes	5,311	-	7,329	8,802	-	13,520	28
Miscellaneous	7,311	2,097	-	18,665	4,467	731	-
<b>Total expenses</b>	<b>\$ 784,004</b>	<b>\$ 66,088</b>	<b>\$ 432,076</b>	<b>\$ 611,611</b>	<b>\$ 28,218</b>	<b>\$ 888,421</b>	<b>\$ 20,740</b>

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Supporting Activities

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Management & General	Leadership & Governance	Membership Development	Partnership Development	Fundraising	Total
\$ 8,333	\$ 31,127	\$ -	\$ -	\$ -	\$ 40,460
535,081	230,938	101,605	3,769	5,574	2,313,885
117,139	6,519	3,842	115,000	17,072	747,230
-	-	-	-	-	7,850
8,577	2,220	858	23	1,213	119,469
35,301	6,430	20,212	90	2,333	407,795
11,441	2,084	1,079	29	50	47,940
32	31,048	3,716	1,064	4,973	128,065
-	30,473	-	-	20,430	212,724
8,037	2,682	1,350	36	83	48,699
4,538	9,118	428	12	20	31,623
-	10,709	-	-	-	53,845
13,780	2,510	1,299	35	60	52,674
21,393	2,882	-	-	-	57,546
<u>\$ 763,652</u>	<u>\$ 368,740</u>	<u>\$ 134,389</u>	<u>\$ 120,058</u>	<u>\$ 51,808</u>	<u>\$ 4,269,805</u>



**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
Year Ended December 31, 2021

	Program Services					
	Institute for Community Inclusion	Conferences and Seminars	Legacy Leader Circle	Communications	Membership Services	National Advocacy Campaign
Grants and assistance	\$ -	\$ -	\$ 800	\$ -	\$ -	\$ -
Personnel	53,635	207,938	22,283	217,324	274,728	4,531
Professional fees	20,363	39,181	24,625	91,400	-	17,500
Advertising	-	-	-	8,424	-	-
Office expenses	1,905	19,139	248	7,521	30,271	367
Information technology	3,509	36,516	1,549	16,496	56,605	269
Occupancy	1,829	7,141	-	7,449	9,429	156
Travel	-	5,491	-	659	5,518	-
Conferences and meetings	-	10,063	-	-	-	456
Depreciation	864	3,324	-	3,357	4,387	66
Insurance	410	8,205	-	1,639	2,080	32
Dues and subscriptions	-	-	-	5,133	559	-
Taxes	-	-	-	-	-	-
Miscellaneous	224	70	567	418	482	4,209
<b>Total expenses</b>	<b>\$ 82,739</b>	<b>\$ 337,068</b>	<b>\$ 50,072</b>	<b>\$ 359,820</b>	<b>\$ 384,059</b>	<b>\$ 27,586</b>

Supporting Activities

Government Relations & Public Policy	ISE Public Awareness Campaign	Management & General	Leadership & Governance	Membership Development	Partnership Development	Fundraising	Total
\$ -	\$ -	\$ -	\$ 1,066	\$ -	\$ -	\$ -	\$ 1,866
533,580	20,347	503,587	173,244	120,752	45,374	9,234	2,186,557
180,856	24,700	71,901	23,046	-	37,500	14,744	545,816
-	11,495	-	-	8,427	-	-	28,346
19,666	2,430	16,685	6,477	4,250	1,627	3,981	114,567
59,629	-	29,446	10,747	11,386	2,954	133	229,239
17,949	-	15,706	5,714	4,156	1,562	86	71,177
12,873	550	-	26,666	-	-	47	51,804
3,424	-	-	21,995	-	-	1,590	37,528
8,508	-	8,950	2,659	1,928	731	33	34,807
4,034	-	3,451	10,318	914	347	16	31,446
17,975	-	-	11,100	-	-	-	34,767
-	-	43,482	-	-	-	-	43,482
3,311	5,919	19,889	3,491	-	154	39	38,773
<u>\$ 861,805</u>	<u>\$ 65,441</u>	<u>\$ 713,097</u>	<u>\$ 296,523</u>	<u>\$ 151,813</u>	<u>\$ 90,249</u>	<u>\$ 29,903</u>	<u>\$ 3,450,175</u>

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
Years Ended December 31, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 762,147	\$ 516,923
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	48,699	34,807
Gain on sale of building	(771,817)	-
Net realized and unrealized (gains) losses on investments	292,699	(219,602)
(Increase) decrease in assets		
Accounts receivable	8,994	(24,503)
Pledges receivable	-	44,483
Prepaid expenses	(5,802)	25,851
Deferred compensation asset	(6,883)	(19,500)
Deposits	(47,850)	-
Increase (decrease) in liabilities		
Accounts payable	12,035	40,602
Accrued payroll	950	(24,142)
Accrued vacation	12,588	(18,511)
Deferred revenue	230,850	105,948
Deferred compensation liability	6,883	19,500
<b>Net cash flows from operating activities</b>	543,493	481,856
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(162,693)	(155,244)
Proceeds from sale of property and equipment	992,164	-
Purchases of and interest retained in investments	(1,165,114)	(950,000)
Proceeds from sales of investments	-	500,000
<b>Net cash flows from investing activities</b>	(335,643)	(605,244)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal payments on capital lease payable	(1,074)	(3,291)
Principal payments on finance lease liability	(3,467)	-
<b>Net cash flows from financing activities</b>	(4,541)	(3,291)
<b>Change in cash</b>	203,309	(126,679)
Cash at beginning of year	738,007	864,686
<b>Cash at end of year</b>	\$ 941,316	\$ 738,007
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for income taxes	\$ 52,675	\$ 53,316

See accompanying notes.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

American Network of Community Options and Resources (ANCOR) is based in Alexandria, Virginia and was formed in 1970 as a national nonprofit trade association representing private providers who provide supports and services to people with intellectual and developmental disabilities. ANCOR provides leading practices, resources and advocacy for member agencies and the people and families they support. ANCOR formed a charitable foundation and a for-profit company to complement its basic mission.

The following is a summary of the entities included in these financial statements:

ANCOR – the purposes of ANCOR are to serve as an information source of critical information and technical support for its members; to provide leadership in the development of high quality supports and services in the private sector; to provide members with an influential and respected voice with our government; to provide training and educational opportunities; to communicate and assist the membership with outreach programs and to develop networks, advocate and raise awareness among members, related organizations and the general public.

ANCOR Foundation, Inc. – was formed in 2000 to expand the commitment and capacity of providers and communities dedicated to improving the quality of life for people with intellectual and developmental disabilities. Through its leadership development and recognition initiatives, ANCOR Foundation recognizes and supports those who provide the supports and services that empower people with intellectual and developmental disabilities to live more independently.

ANCOR Services Corp. – was formed in 2004 to provide to ANCOR members and individuals receiving their services group purchasing discounts on voluntary employee benefits programs, property and casualty insurance and discounts on various products and services. In January 2021, the board of directors ANCOR Services Corp voted to dissolve the corporation and upon dissolution, all assets and liabilities of ANCOR Services Corp transferred to ANCOR.

**Principles of Consolidation**

The consolidated financial statements include the accounts of ANCOR and its wholly owned subsidiary, ANCOR Services Corp. The consolidated financial statements also include the financial statements of ANCOR Foundation, Inc., which is related through common management. All material intra-entity transactions have been eliminated.

**Accounts Receivable**

Accounts receivable primarily represent amounts due from customers for various services, meetings, and events provided by ANCOR. Accounts receivable are stated at the amount management expects to be collected from outstanding balances. As of December 31, 2022 and 2021, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Pledges Receivable**

Unconditional pledges receivable are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional pledges receivable are recognized only when the conditions on which they depend are substantially met and the pledges become unconditional.

**Investments**

ANCOR reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated statements of financial position.

**Property and Equipment**

ANCOR capitalizes all expenditures for property and equipment in excess of \$5,000. Purchased property and equipment are carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

**Revenue Recognition**

ANCOR's earned revenue consists of membership dues, affinity programs, conferences and seminars, advertising, publications and other similar services. ANCOR recognizes revenue from membership dues ratably over the applicable membership period, which is on a calendar year basis. ANCOR generally bills members three months in advance of the applicable membership period. Membership dues received in advance of the applicable membership period are deferred and recognized as revenue in that future period. Membership dues are refundable on a pro-rata basis, by quarter. Revenues from conferences and seminars (for example, ticket sales and exhibit booth space), affinity programs, advertising, publications, and similar services are recognized at a point in time or over the period of the event.

**Contributions**

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions 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. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Expense Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel, professional fees, office expenses, information technology, occupancy, travel, conferences and meetings, depreciation, insurance, dues and subscriptions, and miscellaneous, which are allocated on the basis of estimates of time and effort.

**Leases**

ANCOR does not recognize short-term leases in the consolidated statements of financial position. For these leases, ANCOR recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. ANCOR also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, ANCOR uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

**Income Tax Status**

ANCOR is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. However, income from certain activities not directly related to its tax-exempt purpose is subject to taxation as unrelated business income. ANCOR Foundation, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. ANCOR Services Corp. is treated as a corporation for federal and state income tax purposes.

**Adoption of New Accounting Guidance**

On February 25, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)*. The guidance in this Update and all subsequently issued clarifying Updates supersede the guidance in FASB Accounting Standards Codification (ASC) Topic 840, Leases, and creates FASB ASC Topic 842, Leases. The main difference between previous guidance and Topic 842 is the recognition of assets and liabilities by lessees for those leases classified as operating leases. A lessee should recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. Also, under Topic 842, disclosures are required by lessees and lessors to report useful information to users of financial statements about the amount, timing, and uncertainty of cash flows arising from leases.

ANCOR adopted the requirements of Topic 842 as of January 1, 2022, using the optional transition method that allows ANCOR to initially apply the new guidance at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. ANCOR's reporting for the year ended December 31, 2021, is in accordance with the previous guidance in Topic 840.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ANCOR elected the package of practical expedients permitted under the transition guidance within Topic 842. This package allowed ANCOR to account for its leases that commenced before the adoption date without reassessing whether any expired or existing contracts are or contain leases, the lease classification for any expired or existing leases, and initial direct costs for any existing leases. The adoption of Topic 842 did not have a material effect on ANCOR's change in net assets or cash flows.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Date of Management's Review**

Management has evaluated subsequent events through June 5, 2023, the date which the financial statements were available to be issued.

NOTE 2—CONCENTRATION OF CREDIT RISK

ANCOR maintains its cash balances in two financial institutions located in Rockville, Maryland. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At times during the year, ANCOR's cash balances exceed the FDIC Insurance amount. At December 31, 2022 and 2021, ANCOR's uninsured cash balances total \$450,000 and \$185,000, respectively.

NOTE 3—RELATED PARTY

ANCOR PAC is a political action committee ANCOR established to advocate for ANCOR members. ANCOR PAC is operated by a governing committee appointed by the ANCOR board of directors and management. ANCOR performs all of the administrative work for ANCOR PAC at no cost.

NOTE 4—COMMITMENT

ANCOR has entered into agreements to reserve space for future conferences. These agreements indicate that ANCOR would be liable for certain cancellation fees and liquidated damages in the event of cancellation. If cancellations occur, ANCOR could be liable for up to approximately \$450,000. Management does not expect any hotel agreement cancellations.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2022 and 2021

NOTE 5—INVESTMENTS

Investments consist of the following:

	2022	2021
Money market funds	\$ 1,918	\$ 301,149
Mutual funds	3,849,051	2,637,259
Exchange traded funds	151,265	191,411
Investments	\$ 4,002,234	\$ 3,129,819

Fair values of mutual funds and exchange traded funds are valued at the closing price reported on the active market on which the mutual funds and exchange traded funds are traded and are considered Level 1 fair value measurements.

NOTE 6—RETIREMENT PLAN

Defined Contribution Plan

ANCOR provides a 401(k) salary deferral retirement plan for all eligible employees. All employees who have attained age twenty-one with three months of service, plus the time to open enrollment, are eligible to participate in the plan. ANCOR contributes the equivalent of 3% of an employee's annual compensation. ANCOR retirement plan expense for the years ended December 31, 2022 and 2021 totaled \$52,007 and \$51,031, respectively.

Deferred Compensation Plan

In 2020, ANCOR established a nonqualified deferred compensation plan created for the benefit of its Chief Executive Officer, in accordance with section 457(b) of the Internal Revenue Code. ANCOR will make an annual discretionary contribution to the plan. For the years ended December 31, 2022 and 2021, \$10,000 and \$19,500, respectively, was contributed to the plan. At December 31, 2022 and 2021, the assets and liability associated with this plan was \$36,383 and \$29,500, respectively, and is included as deferred compensation in the accompanying consolidated statements of financial position.

NOTE 7—INCOME TAXES

Income taxes consisted of the following:

	2022	2021
Federal income tax	\$ 40,804	\$ 34,083
State income tax	11,870	9,399
Income taxes	\$ 52,674	\$ 43,482



**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

NOTE 8—LEASES

ANCOR had an operating lease agreement for office space that expired in August 2022. In February 2022, ANCOR entered into a financing lease agreement for a copier, which expires in January 2025. There are no variable lease components associated with ANCOR's leases.

The components of total lease cost are as follows:

	2022	2021
Finance lease cost		
Amortization of right-of-use asset	\$ 3,467	\$ -
Interest on lease liability	90	-
Operating lease cost	15,431	19,922
Total lease cost	\$ 18,988	\$ 19,922

Other information related to financing leases is as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from finance leases	\$ 83
Financing cash flows from finance leases	3,117
Right-of-use assets obtained in exchange for new finance lease liabilities	11,027
Weighted average remaining lease term	
Finance leases	2.08 years
Weighted average discount rate	
Finance leases	1.04%

The maturities of financing leases as of December 31, 2022 are as follows:

Year ending December 31:	
2023	\$ 3,840
2024	3,840
2025	320
Total minimum lease payments	8,000
Imputed interest	(83)
Total lease liabilities	\$ 7,917

ANCOR leased equipment under a capital lease requiring monthly payments of principal and interest of \$299 with a lease term through February 2022. Interest expense for the years ended December 31, 2022 and 2021 was \$15 and \$164, respectively. The leased equipment had a cost of \$17,952 and accumulated depreciation of \$ \$17,354 at December 31, 2021. Upon completion of the lease term, the fully depreciated equipment was disposed of.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

NOTE 9—NET ASSETS

Net assets with donor restrictions are restricted for the following purposes:

	2022	2021
Legacy Leader Circle	\$ 3,575	\$ 9,720
National Advocacy Campaign	18,316	46,534
Self Advocacy Campaign	-	166
Diversity, Equity, and Inclusion	11,500	21,000
Net assets with donor restrictions	\$ 33,391	\$ 77,420

NOTE 10—LIQUIDITY AND AVAILABILITY

The following reflects ANCOR's financial assets as of the date of the consolidated statements of financial position, reduced by amounts not available for general expenditures within one year of the date of the consolidated statements financial position because of donor-imposed restrictions or internal designations.

	2022	2021
Financial assets at end of year		
Cash	\$ 941,316	\$ 738,007
Accounts receivable	141,167	150,161
Investments	4,002,234	3,129,819
Deferred compensation asset	36,383	29,500
Total financial assets	5,121,100	4,047,487
Less amounts unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	(33,391)	(77,420)
Designated by board of directors for ISE Public		
Investments held for long-term purposes	(1,390,624)	(1,655,940)
Deferred compensation liability	(36,383)	(29,500)
Financial assets available to meet cash needs for general expenditures within one year	\$ 3,697,085	\$ 2,314,127

As part of ANCOR's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. ANCOR's goal is to maintain an unrestricted reserve balance equal to or greater than approximately 25-30% of revenues without donor restrictions. For the years ended December 31, 2022 and 2021, financial assets not available for general expenditures include \$1,390,624 and \$1,655,940, respectively, set aside for long-term purposes; however, amounts could be made available if necessary. In addition, ANCOR invests cash in excess of daily requirements in short-term and long-term investments.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022 and 2021

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NOTE 11—SUBSEQUENT EVENT

In February 2023, ANCOR purchased a new office condominium in Alexandria, Virginia. ANCOR has elected to not finance the purchase and has paid approximately \$985,000 for the purchase of the office condominium.

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
December 31, 2022

	<u>ANCOR</u>	<u>ANCOR Foundation</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 610,870	\$ 330,446	\$ -	\$ 941,316
Accounts receivable	141,532	4,905	(5,270)	141,167
Finance lease right-of-use asset	7,880	-	-	7,880
Prepaid expenses	98,448	2,325	-	100,773
Total current assets	858,730	337,676	(5,270)	1,191,136
<b>PROPERTY AND EQUIPMENT</b>				
Membership software	423,516	-	-	423,516
Website	319,225	5,850	-	325,075
Equipment	35,704	-	-	35,704
Property and equipment	778,445	5,850	-	784,295
Less accumulated depreciation	(497,691)	(5,850)	-	(503,541)
Property and equipment, net	280,754	-	-	280,754
<b>OTHER ASSETS</b>				
Investments	4,002,234	-	-	4,002,234
Deferred compensation asset	36,383	-	-	36,383
Deposits	50,000	-	-	50,000
<b>Total assets</b>	<b>\$ 5,228,101</b>	<b>\$ 337,676</b>	<b>\$ (5,270)</b>	<b>\$ 5,560,507</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 122,604	\$ 2,289	\$ (5,270)	\$ 119,623
Accrued payroll	29,927	-	-	29,927
Accrued vacation	79,467	-	-	79,467
Deferred revenue	997,233	2,210	-	999,443
Current portion of finance lease liability	3,840	-	-	3,840
Total current liabilities	1,233,071	4,499	(5,270)	1,232,300
<b>LONG-TERM LIABILITIES</b>				
Finance lease liability less current portion	4,077	-	-	4,077
Deferred compensation liability	36,383	-	-	36,383
Total liabilities	1,273,531	4,499	(5,270)	1,272,760
<b>NET ASSETS</b>				
Without donor restrictions	3,939,485	314,871	-	4,254,356
With donor restrictions	15,085	18,306	-	33,391
Total net assets	3,954,570	333,177	-	4,287,747
<b>Total liabilities and net assets</b>	<b>\$ 5,228,101</b>	<b>\$ 337,676</b>	<b>\$ (5,270)</b>	<b>\$ 5,560,507</b>

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
December 31, 2021

	<u>ANCOR</u>	<u>ANCOR Foundation</u>	<u>Eliminations</u>	<u>Consolidated Total</u>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 395,825	\$ 342,182	\$ -	\$ 738,007
Accounts receivable	150,134	27	-	150,161
Prepaid expenses	86,638	8,333	-	94,971
Total current assets	632,597	350,542	-	983,139
<b>PROPERTY AND EQUIPMENT</b>				
Office condominium	475,770	-	-	475,770
Membership software	373,437	-	-	373,437
Website	195,270	5,850	-	201,120
Equipment	111,296	-	-	111,296
Property and equipment	1,155,773	5,850	-	1,161,623
Less accumulated depreciation	(772,560)	(5,460)	-	(778,020)
Property and equipment, net	383,213	390	-	383,603
<b>OTHER ASSETS</b>				
Investments	3,129,819	-	-	3,129,819
Deferred compensation asset	29,500	-	-	29,500
Deposits	2,150	-	-	2,150
<b>Total assets</b>	<b>\$ 4,177,279</b>	<b>\$ 350,932</b>	<b>\$ -</b>	<b>\$ 4,528,211</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 99,149	\$ 8,439	\$ -	\$ 107,588
Accrued payroll	28,977	-	-	28,977
Accrued vacation	66,879	-	-	66,879
Deferred revenue	768,593	-	-	768,593
Current portion of capital lease payable	1,074	-	-	1,074
Total current liabilities	964,672	8,439	-	973,111
<b>LONG-TERM LIABILITIES</b>				
Deferred compensation liability	29,500	-	-	29,500
Total liabilities	994,172	8,439	-	1,002,611
<b>NET ASSETS</b>				
Without donor restrictions	3,140,038	308,142	-	3,448,180
With donor restrictions	43,069	34,351	-	77,420
Total net assets	3,183,107	342,493	-	3,525,600
<b>Total liabilities and net assets</b>	<b>\$ 4,177,279</b>	<b>\$ 350,932</b>	<b>\$ -</b>	<b>\$ 4,528,211</b>

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
Year Ended December 31, 2022

	ANCOR	ANCOR Foundation	Eliminations	Consolidated Totals
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
<b>SUPPORT AND REVENUE</b>				
Membership dues	\$ 2,779,429	\$ -	\$ -	\$ 2,779,429
Conferences and seminars	1,264,950	-	-	1,264,950
Contributions	9,018	50,406	(4,193)	55,231
Grant revenue	118,117	-	-	118,117
Investment return, net	(223,668)	57	-	(223,611)
Advertising	108,472	-	-	108,472
Royalties	120,242	-	-	120,242
Miscellaneous	248	-	-	248
Publications	3,650	-	-	3,650
<b>Total support and revenue</b>	<b>4,180,458</b>	<b>50,463</b>	<b>(4,193)</b>	<b>4,226,728</b>
<b>EXPENSES</b>				
Grants and assistance	32,127	8,333	-	40,460
Personnel	2,313,885	-	-	2,313,885
Professional fees	709,516	41,907	(4,193)	747,230
Advertising	7,850	-	-	7,850
Office expenses	117,258	2,211	-	119,469
Information technology	404,614	3,181	-	407,795
Occupancy	47,940	-	-	47,940
Travel	127,315	750	-	128,065
Conferences and meetings	180,275	32,449	-	212,724
Depreciation	48,309	390	-	48,699
Insurance	31,623	-	-	31,623
Dues and subscriptions	53,845	-	-	53,845
Taxes	52,674	-	-	52,674
Miscellaneous	53,581	3,965	-	57,546
<b>Total expenses</b>	<b>4,180,812</b>	<b>93,186</b>	<b>(4,193)</b>	<b>4,269,805</b>
<b>NET ASSETS RESRELEASED FROM RESTRICTIONS</b>				
Satisfaction of purpose restrictions	27,984	49,452	-	77,436
<b>Change in net assets without donor restrictions</b>	<b>27,630</b>	<b>6,729</b>	<b>-</b>	<b>34,359</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>				
Contributions	-	33,407	-	33,407
Satisfaction of purpose restrictions	(27,984)	(49,452)	-	(77,436)
<b>Change in net assets with donor restrictions</b>	<b>(27,984)</b>	<b>(16,045)</b>	<b>-</b>	<b>(44,029)</b>
<b>OTHER CHANGES</b>				
Gain on sale of building	771,817	-	-	771,817
<b>Change in net assets</b>	<b>771,463</b>	<b>(9,316)</b>	<b>-</b>	<b>762,147</b>
Net assets at beginning of year	3,183,107	342,493	-	3,525,600
<b>Net assets at end of year</b>	<b>\$ 3,954,570</b>	<b>\$ 333,177</b>	<b>\$ -</b>	<b>\$ 4,287,747</b>

**AMERICAN NETWORK OF COMMUNITY OPTIONS AND RESOURCES**  
**CONSOLIDATING SCHEDULE OF ACTIVITIES**  
Year Ended December 31, 2021

	ANCOR	ANCOR Services Corp	ANCOR Foundation	Eliminations	Consolidated Total
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>					
<b>SUPPORT AND REVENUE</b>					
Membership dues	\$ 2,645,382	\$ -	\$ -	\$ -	\$ 2,645,382
Affinity programs	-	291	-	-	291
Conferences and seminars	701,608	-	-	-	701,608
Contributions	6,844	-	177,916	(135,371)	49,389
Grant revenue	55,104	-	-	-	55,104
Investment return, net	322,756	-	29	(103,153)	219,632
Advertising	111,641	-	-	-	111,641
Royalties	143,389	-	-	-	143,389
Miscellaneous	4,287	-	-	-	4,287
Publications	6,250	-	-	-	6,250
<b>Total support and revenue</b>	<b>3,997,261</b>	<b>291</b>	<b>177,945</b>	<b>(238,524)</b>	<b>3,936,973</b>
<b>EXPENSES</b>					
Grants and assistance	136,437	-	800	(135,371)	1,866
Personnel	2,186,557	-	-	-	2,186,557
Professional fees	475,022	4,110	66,684	-	545,816
Advertising	16,851	-	11,495	-	28,346
Office expenses	107,343	565	6,659	-	114,567
Information technology	227,690	-	1,549	-	229,239
Occupancy	71,177	-	-	-	71,177
Travel	51,174	-	630	-	51,804
Conferences and meetings	33,748	-	3,780	-	37,528
Depreciation	33,637	-	1,170	-	34,807
Insurance	26,649	4,797	-	-	31,446
Dues and subscriptions	34,767	-	-	-	34,767
Taxes	43,463	19	-	-	43,482
Miscellaneous	20,011	17	18,745	-	38,773
<b>Total expenses</b>	<b>3,464,526</b>	<b>9,508</b>	<b>111,512</b>	<b>(135,371)</b>	<b>3,450,175</b>
<b>NET ASSETS RESLEASSED FROM RESTRICTIONS</b>					
Satisfaction of purpose restrictions	22,385	-	30,831	-	53,216
<b>Change in net assets without donor restrictions</b>	<b>555,120</b>	<b>(9,217)</b>	<b>97,264</b>	<b>(103,153)</b>	<b>540,014</b>
<b>CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS</b>					
Contributions	-	-	30,125	-	30,125
Satisfaction of purpose restrictions	(22,385)	-	(30,831)	-	(53,216)
<b>Change in net assets with donor restrictions</b>	<b>(22,385)</b>	<b>-</b>	<b>(706)</b>	<b>-</b>	<b>(23,091)</b>
<b>Change in net assets</b>	<b>532,735</b>	<b>(9,217)</b>	<b>96,558</b>	<b>(103,153)</b>	<b>516,923</b>
Net assets at beginning of year	2,650,372	113,370	245,935	(1,000)	3,008,677
Dividends paid	-	(104,153)	-	104,153	-
<b>Net assets at end of year</b>	<b>\$ 3,183,107</b>	<b>\$ -</b>	<b>\$ 342,493</b>	<b>\$ -</b>	<b>\$ 3,525,600</b>