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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 October 1, 2013, and ending September 30, 20 14

B Check if applicable:	C	D / E / G
☐ Address change	Name of organization: Arctic Research Consortium of the United States	D Employer identification number: 92-0137088
☐ Name change	Doing Business As	
☐ Initial return	Number and street (or P.O. box if mail is not delivered to street address): 3535 College Road — Room/suite: Suite 101	E Telephone number: 907-474-1600
☐ Terminated	City or town, state or province, country, and ZIP or foreign postal code: Fairbanks, AK 99709	
☐ Amended return		G Gross receipts $ 2,389,918
☐ Application pending	F Name and address of principal officer: Helen Wiggins, Same as above	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)

I Tax-exempt status: ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.arcus.org — H(c) Group exemption number ▶

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶ — L Year of formation 1990 — M State of legal domicile: AK

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: ARCUS is a catalyst for interdisciplinary thinking, acting, and education leading to the development of highly collaborative partnerships. ARCUS envisions strong and productive linkages that promote discovery and understanding of the Arctic and inform sound decisions related to the Arctic.

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	13
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	5	14
6	Total number of volunteers (estimate if necessary)	6	-0-
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-

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	40,409	15,913
9	Program service revenue (Part VIII, line 2g)	1,999,534	2,374,005
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-0-	-0-
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-0-	-0-
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,039,943	2,389,918
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	-0-	-0-
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)	1,222,838	1,133,151
16a	Professional fundraising fees (Part IX, column (A), line 11e)	-0-	-0-
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ -0-		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	817,623	1,183,005
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	2,040,461	2,316,156
19	Revenue less expenses. Subtract line 18 from line 12	-518	73,762
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	256,374	422,543
21	Total liabilities (Part X, line 26)	207,028	299,435
22	Net assets or fund balances. Subtract line 21 from line 20	49,346	123,108

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

▶ Helen Wiggins — Digitally signed by Helen Wiggins DN cn=Helen Wiggins, o=ARCUS, ou, email=helen@arcu org, c=US Date 2015.04.27 10:59:10 -08'00' — 4/27/15

Signature of officer — Date

▶ Helen Wiggins Interim Executive Director

Type or print name and title

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

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

For Paperwork Reduction Act Notice, see the separate instructions. Cat No. 11282Y Form **990** (2013)

SCANNED JUN 0 5 2015

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Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III . . . . ☑

1 Briefly describe the organization's mission:

ARCUS is a catalyst for interdisciplinary thinking, acting and education leading to the development of highly collaborative partnerships. ARCUS envisions strong and productive linkages that promote discovery and understanding of the Arctic and inform sound decisions related to the Arctic.

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 $ 673,834 including grants of $ -0-) (Revenue $ 673,834)

OUTREACH AND INFORMATION: ARCUS serves as a communication channel providing information about current research activities and arctic issues to the scientific community, agencies, and the public. ARCUS information and outreach activities disseminate information about a wide range of arctic research efforts to scientists, decision makers, and the public through the use of internet tools, publications and in-person meetings. Some of the information and outreach activities include Witness the Arctic newsletter, Website and Internet Resources, ArcticInfo mailing list, Directory of Arctic Researchers, Internet Media Archive and Arctic Community Outreach. Witness the Arctic is an online newsletter that provides information on current arctic research efforts and findings, significant research initiatives, national policy affecting arctic research, international activities and profiles of arctic institutions. Once published, Witness the Arctic newsletter is distributed through the Witness the Arctic mailing list and is also announced via the ARCUS website and other mailing lists. The website is the focal point for educational programs, various community science planning efforts, and provides important information and resources to the research community about research programs, meetings, community activities, and publications. ARCUS continues to conduct a number of outreach activities that disseminate timely information about arctic research.

4b (Code:) (Expenses $ 660,223 including grants of $ -0-) (Revenue $ 660,223)

ARCTIC LOGISTICS AND COMMUNITY SCIENCE PLANNING: These activities coordinate science planning for the arctic research community across disciplinary and organizational boundaries, including Study of Environmental Arctic Change (SEARCH) Coordination. ARCUS has worked with the arctic scientific community and funding agencies through workshops, committee activities, and other strategies to help define and coordinate science priorities and initiatives. ARCUS worked with the SEARCH Science Steering Committee (SSC) with input from the broader research community, to define details of a new governance structure to implement a new vision and mission for SEARCH. ARCUS facilitated teleconferences, discussions, and in-person meetings of the SEARCH SCC and Observing Change Panel, and significant virtual correspondence. ARCUS provided project management support to all SEARCH tasks, tracking activities and developing project plans. ARCUS provided administrative, logistical, and travel support for the SEARCH SSC Chair and SSC members. ARCUS also manages a comprehensive website with information on all SEARCH activities (www.arcus.org/search-program) to communicate SEARCH activities to a broader audience and to the public.

4c (Code:) (Expenses $ 203,184 including grants of $ -0-) (Revenue $ 203,184)

U.S. ARCTIC SCIENCE SUPPORT: ARCUS, in collaboration with NSF program staff, develops and implements activities to reach across geographic , cultural, institutional, and disciplinary boundaries to assist planning of diverse research and research support efforts. ARCUS worked with NSF and an Organizing Committee to organize and convene a workshop and develop and publish a resulting report on "Future Directions for Arctic Research Logistics" that addressed the question: "What logistic infrastructure needs to be in place to facilitate Arctic Research over the next twenty years?" ARCUS participated in another workshop on "Arctic Field Safety Risk Management" and began development of a workshop report under direction of NSF.

4d Other program services (Describe in Schedule O)
(Expenses $ 181,254 including grants of $ -0-) (Revenue $ 181,254)

4e Total program service expenses ▶ 1,718,495

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	✓	
2	Is the organization required to complete *Schedule B, Schedule of Contributors* (see instructions)?	2		✓
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		✓
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		✓
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		✓
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		✓
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		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
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		✓
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		✓
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	✓	
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		✓
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		✓
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		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		✓
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	✓	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a	✓	
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		✓
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
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		✓
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		✓
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		✓
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		✓
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		✓
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		✓
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		✓
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? *If "Yes," complete Schedule I, Parts I and II*	21		✓
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? *If "Yes," complete Schedule I, Parts I and III*	22		✓
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? *If "Yes," complete Schedule J*	23	✓	
24a	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? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		✓
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		
25a	**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? *If "Yes," complete Schedule L, Part I*	25a		✓
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? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? If so, complete Schedule L, Part II	26		✓
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? *If "Yes," complete Schedule L, Part III*	27		✓
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? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
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? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
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? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34		✓
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		✓
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)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
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? *If "Yes," complete Schedule R, Part VI*	37		✓
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	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check 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	12		
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	✓	
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	14		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?			2b	✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* (see instructions)					
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?			3a		✓
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		✓
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		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?			5b		✓
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		✓
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		✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?			7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?			7c		✓
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		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?			7f		✓
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?			13a		
	Note. See the instructions for additional information the organization must report on Schedule O.					
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		✓
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 . . . ☑

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 . . **1a** 13 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.			
b	Enter the number of voting members included in line 1a, above, who are independent . **1b** 13			
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?	2		✓
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?	3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		✓
6	Did the organization have members or stockholders?	6	✓	
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?	7a	✓	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b	✓	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
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*	9		✓

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?	10a		✓
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?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
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*	12a	✓	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this was done*	12c	✓	
13	Did the organization have a written whistleblower policy?	13	✓	
14	Did the organization have a written document retention and destruction policy?	14	✓	
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	15a	✓	
b	Other officers or key employees of the organization If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).	15b	✓	
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?	16a		✓
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?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ Alaska

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: ▶ Ada P. Bower, 3535 College Road - Suite 101 - Fairbanks, AK 99709 Telephone #907-474-1600

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check 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): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
(1) Michael Retelle President	1	✓		✓				-0-	-0-	-0-
(2) David Cairns Secretary	1	✓		✓				-0-	-0-	-0-
(3) Jay Gulledge Treasurer	1	✓		✓				-0-	-0-	-0-
(4) John Payne Executive Committee Member-at-Large	1	✓						-0-	-0-	-0-
(5) Carolina Behe Executive Committee Member-at-Large	1	✓						-0-	-0-	-0-
(6) Craig Dorman Director	1	✓						-0-	-0-	-0-
(7) Howard Epstein Director	1	✓						-0-	-0-	-0-
(8) Mark Ivey Director	1	✓						-0-	-0-	-0-
(9) Timo Koivurova Director	1	✓						-0-	-0-	-0-
(10) Mark Nuttall Director	1	✓						-0-	-0-	-0-
(11) Gunnar Knapp Director	1	✓						-0-	-0-	-0-
(12) Maribeth Murray Director	1	✓						-0-	-0-	-0-
(13) Audrey Taylor Director	1	✓						-0-	-0-	-0-
(14) Susan E. Fox Executive Director - Former	40			✓			✓	146,736	-0-	16,077

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(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): Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former	(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
(15) Helen Wiggins Interim Executive Director	40			✓				126,557	-0-	16,885
(16) Ada P. Bower Business Manager	40					✓		111,799	-0-	16,559
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										

	(D)	(E)	(F)
1b Sub-total . . . . ▶	385,092	-0-	49,521
c Total from continuation sheets to Part VII, Section A . . . . . ▶	-0-	-0-	-0-
d Total (add lines 1b and 1c) . . . . ▶	385,092	-0-	49,521

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ Three

		Yes	No
3 Did the organization list any **former** officer, director, or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3	✓	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4	✓	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
William Beistline dba College Mall LLC P.O. Box 80525 - Fairbanks, AK 99708	Office rental space	128,640

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

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	-0-				
b	Membership dues	1b	11,103				
c	Fundraising events	1c	-0-				
d	Related organizations	1d	-0-				
e	Government grants (contributions)	1e	-0-				
f	All other contributions, gifts, grants, and similar amounts not included above	1f	4,810				
g	Noncash contributions included in lines 1a-1f: $		-0-				
h	**Total.** Add lines 1a–1f ▶			15,913			
Program Service Revenue			Business Code				
2a	NSF Cooperative Agreement		541900	1,573,323	1,573,323	-0-	-0-
b	NSF PolarTREC Grant		541900	587,910	587,910	-0-	-0-
c	Sea Ice Prediction Grant		541900	97,210	97,210	-0-	-0-
d	SEARCH Grant		541900	84,712	84,712	-0-	-0-
e	NASA contract		541900	30,506	30,506	-0-	-0-
f	All other program service revenue		541900	344	344	-0-	-0-
g	**Total.** Add lines 2a–2f ▶			2,374,005			
Other Revenue							
3	Investment income (including dividends, interest, and other similar amounts) ▶			-0-	-0-	-0-	-0-
4	Income from investment of tax-exempt bond proceeds ▶			-0-	-0-	-0-	-0-
5	Royalties ▶			-0-	-0-	-0-	-0-
		(i) Real	(ii) Personal				
6a	Gross rents	-0-	-0-				
b	Less: rental expenses	-0-	-0-				
c	Rental income or (loss)	-0-	-0-				
d	Net rental income or (loss) ▶			-0-	-0-	-0-	-0-
		(i) Securities	(ii) Other				
7a	Gross amount from sales of assets other than inventory	-0-	-0-				
b	Less: cost or other basis and sales expenses	-0-	-0-				
c	Gain or (loss)	-0-	-0-				
d	Net gain or (loss) ▶			-0-	-0-	-0-	-0-
8a	Gross income from fundraising events (not including $ -0- of contributions reported on line 1c). See Part IV, line 18	a	-0-				
b	Less: direct expenses	b	-0-				
c	Net income or (loss) from fundraising events ▶			-0-		-0-	-0-
9a	Gross income from gaming activities See Part IV, line 19	a	-0-				
b	Less: direct expenses	b	-0-				
c	Net income or (loss) from gaming activities ▶			-0-	-0-	-0-	-0-
10a	Gross sales of inventory, less returns and allowances	a	-0-				
b	Less: cost of goods sold	b	-0-				
c	Net income or (loss) from sales of inventory ▶			-0-	-0-	-0-	-0-
	Miscellaneous Revenue		Business Code				
11a							
b							
c							
d	All other revenue			-0-	-0-	-0-	-0-
e	**Total.** Add lines 11a–11d ▶			-0-			
12	**Total revenue.** See instructions. ▶			2,389,918	2,389,918	-0-	-0-

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-	-0-		
2	Grants and other assistance to individuals in the United States. See Part IV, line 22 . . .	-0-	-0-		
3	Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 . .	-0-	-0-		
4	Benefits paid to or for members . . .	-0-	-0-		
5	Compensation of current officers, directors, trustees, and key employees	162,751	135,589	27,162	-0-
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-	-0-	-0-	-0-
7	Other salaries and wages	611,236	423,374	187,862	-0-
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	36,577	25,488	11,089	-0-
9	Other employee benefits	262,986	187,222	75,764	-0-
10	Payroll taxes	59,601	35,223	24,378	-0-
11	Fees for services (non-employees):				
a	Management	-0-	-0-	-0-	-0-
b	Legal	750	750	-0-	-0-
c	Accounting	22,444	-0-	22,444	-0-
d	Lobbying	-0-	-0-	-0-	-0-
e	Professional fundraising services. See Part IV, line 17	-0-			-0-
f	Investment management fees . . .	-0-	-0-	-0-	-0-
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . .	457,763	402,763	55,000	-0-
12	Advertising and promotion	-0-	-0-	-0-	-0-
13	Office expenses	47,079	21,809	25,270	-0-
14	Information technology	59,806	49,645	10,161	-0-
15	Royalties	-0-	-0-	-0-	-0-
16	Occupancy	144,776	-0-	144,776	-0-
17	Travel	248,472	248,413	59	-0-
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	-0-	-0-	-0-	-0-
19	Conferences, conventions, and meetings .	71,679	71,679	-0-	-0-
20	Interest	-0-	-0-	-0-	-0-
21	Payments to affiliates	-0-	-0-	-0-	-0-
22	Depreciation, depletion, and amortization .	2,438	-0-	2,438	-0-
23	Insurance	3,407	-0-	3,407	-0-
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	Substitute Teachers	24,064	24,064	-0-	-0-
b	Subcontracts	81,468	81,468	-0-	-0-
c					
d					
e	All other expenses Miscellaneous	18,859	11,008	7,851	-0-
25	**Total functional expenses.** Add lines 1 through 24e	2,316,156	1,718,495	597,661	-0-
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 ▶ ☐ if following SOP 98-2 (ASC 958-720) . .	-0-	-0-	-0-	-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	138,652	1	205,643
	2	Savings and temporary cash investments	505	2	505
	3	Pledges and grants receivable, net	32,810	3	156,400
	4	Accounts receivable, net	2,706	4	787
	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	66,285	9	48,780
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a — 81,585			
	b	Less: accumulated depreciation — 10b — 71,157	15,416	10c	10,428
	11	Investments—publicly traded securities	-0-	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	-0-	15	-0-
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	256,374	16	422,543
Liabilities	17	Accounts payable and accrued expenses	149,047	17	217,070
	18	Grants payable	-0-	18	-0-
	19	Deferred revenue	57,981	19	82,365
	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	-0-	23	-0-
	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	-0-	25	-0-
	26	**Total liabilities.** Add lines 17 through 25	207,028	26	299,435
Net Assets or Fund Balances		**Organizations that follow SFAS 117 (ASC 958), check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	49,346	27	123,108
	28	Temporarily restricted net assets	-0-	28	-0-
	29	Permanently restricted net assets	-0-	29	-0-
		Organizations that do not follow SFAS 117 (ASC 958), check here ▶ ☐ 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	49,346	33	123,108
	34	Total liabilities and net assets/fund balances	256,374	34	422,543

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	2,389,918
2	Total expenses (must equal Part IX, column (A), line 25)	2	2,316,156
3	Revenue less expenses. Subtract line 2 from line 1	3	73,762
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	49,346
5	Net unrealized gains (losses) on investments	5	-0-
6	Donated services and use of facilities	6	-0-
7	Investment expenses	7	-0-
8	Prior period adjustments	8	-0-
9	Other changes in net assets or fund balances (explain in Schedule O)	9	-0-
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	123,108

Part XII Financial Statements and Reporting

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

			Yes	No
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	2a		✓
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	2b	✓	
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.	2c	✓	
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?	3a	✓	
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.	3b	✓	

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.

▶ 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*.

OMB No 1545-0047
2013
Open to Public Inspection

Name of the organization
Arctic Research Consortium of the United States

Employer identification number
92-0137088

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 33¹/₃% 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 33¹/₃% 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?

		Yes	No
(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?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(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? Yes	No	(v) Did you notify the organization in col (i) of your support? Yes	No	(vi) Is the organization in col (i) organized in the U S? Yes	No	(vii) Amount of monetary support
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

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.")	18,800	22,034	16,331	13,932	11,103	82,200
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf	-0-	-0-	-0-	-0-	-0-	-0-
3 The value of services or facilities furnished by a governmental unit to the organization without charge	-0-	-0-	-0-	-0-	-0-	-0-
4 **Total.** Add lines 1 through 3	18,800	22,034	16,331	13,932	11,103	82,200
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.						82,200

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	18,800	22,034	16,331	13,932	11,103	82,200
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	2	8	2	-0-	-0-	12
9 Net income from unrelated business activities, whether or not the business is regularly carried on	-0-	-0-	-0-	-0-	-0-	-0-
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	-0-	-0-	-0-	-0-	-0-	-0-
11 **Total support.** Add lines 7 through 10						82,212

12 Gross receipts from related activities, etc. (see instructions) . . . 12 10,793,097

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** ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f)) . . . . 14 99.99 %

15 Public support percentage from 2012 Schedule A, Part II, line 14 . . . 15 99.12 %

16a **33⅓% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☑

b **33⅓% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

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 ▶ ☐

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 ▶ ☐

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 ▶ ☐

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** ▶ ☐

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 **33⅓% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33⅓%, and line 17 is not more than 33⅓%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33⅓% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓%, and line 18 is not more than 33⅓%, 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 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	Employer identification number
ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES	92-0137088

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? ☐ Yes ☐ 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? ☐ Yes ☐ 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).

☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ 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 ▶ $ ____

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
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	-0-	-0-		-0-
b	Buildings	-0-	-0-	-0-	-0-
c	Leasehold improvements	-0-	8,182	8,182	-0-
d	Equipment	-0-	73,403	62,975	10,428
e	Other	-0-	-0-	-0-	-0-
Total.	Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				10,428

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)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

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	-0-
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25)* ▶	-0-

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	2,389,918
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	-0-		
b	Donated services and use of facilities	2b	-0-		
c	Recoveries of prior year grants	2c	-0-		
d	Other (Describe in Part XIII.)	2d	-0-		
e	Add lines **2a** through **2d**			2e	-0-
3	Subtract line **2e** from line **1**			3	2,389,918
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	-0-		
b	Other (Describe in Part XIII.)	4b	-0-		
c	Add lines **4a** and **4b**			4c	-0-
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	2,389,918

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	2,316,156
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	-0-		
b	Prior year adjustments	2b	-0-		
c	Other losses	2c	-0-		
d	Other (Describe in Part XIII.)	2d	-0-		
e	Add lines **2a** through **2d**			2e	-0-
3	Subtract line **2e** from line **1**			3	2,316,156
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	-0-		
b	Other (Describe in Part XIII.)	4b	-0-		
c	Add lines **4a** and **4b**			4c	-0-
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	2,316,156

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.

INCOME TAXES:

ARCUS adopted FASB ASC 740 Accounting for Uncertainty in Income Taxes that requires ARCUS to recognize a liability for uncertain tax positions where a liability would more likely than not be assessed by a taxing authority. Management has evaluated ARCUS' tax positions and determined there are no liabilities required to be recognized as the result of an uncertain tax position.

Part XIII Supplemental Information *(continued)*

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" on 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*.

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Open to Public Inspection

Name of the organization: ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES
Employer identification number: 92-0137088

Part I Questions Regarding Compensation

			Yes	No
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. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ 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	1b		
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?	2		
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. ☐ Compensation committee ☐ Written employment contract ☐ Independent compensation consultant ☑ Compensation survey or study ☐ Form 990 of other organizations ☑ 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? If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.	4c		✓
	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? If "Yes" to line 5a or 5b, describe in Part III.	5b		✓
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? If "Yes" to line 6a or 6b, describe in Part III.	6b		✓
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		✓
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		✓
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

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				
Susan E Fox	(i)	146,736	-0-	-0-	7,337	8,740	162,813	-0-
1 Executive Director	(ii)	-0-	-0-	-0-	-0-	-0-	-0-	-0-
	(i)							
2	(ii)							
	(i)							
3	(ii)							
	(i)							
4	(ii)							
	(i)							
5	(ii)							
	(i)							
6	(ii)							
	(i)							
7	(ii)							
	(i)							
8	(ii)							
	(i)							
9	(ii)							
	(i)							
10	(ii)							
	(i)							
11	(ii)							
	(i)							
12	(ii)							
	(i)							
13	(ii)							
	(i)							
14	(ii)							
	(i)							
15	(ii)							
	(i)							
16	(ii)							

Part III Supplemental Information

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

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.

▶ Information about Schedule O (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	Employer identification number
Arctic Research Consortium of the United States	92-0137088

PART III STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS:

4d Other Program Services

CORE SUPPORT (Expenses $ 157,161 including grants of -0-) (Revenue $ 157,161)

This is dedicated funding of the costs incurred by program activities that simultaneously support multiple cooperative agreement projects. This funding also supports the technological and management infrastructure.

ARCTIC SCIENCE EDUCATION (EXPENSES $ 24,093 including grants of -0-) (Revenue $ 24,093)

ARCUS focuses on the development and coordination of arctic focused educational activities. ARCUS continues to provide an educational leadership role within the arctic community through activities designed to bridge arctic research and education. ARCUS developed and made available on request a kit of Extreme Cold Weather Gear for use in educating students and the public about polar field research; administered and managed an open email list for announcements on Polar Education efforts; and provided staff support for an Arctic and climate change educational booth at the annual American Geophysical Union Exploration Station, a public outreach activity.

PART VI GOVERNANCE, MANAGEMENT, AND DISCLOSURE:

SECTION A - LINE 6 - 7a - 7b: ARCUS has member institutions that are voting members or associate members. The voting members elect the members of the Governing Board. Changes to the bylaws require approval by the member institutions.

SECTION B - LINE 11b: The form 990 is prepared by ARCUS' Business Manager. The review process consists of the Business Manager cross checking numerical values with the corresponding source documents. The Executive Director reviews the completed form, schedules, and statements. After the Executive Director review, the Board of Directors are given a copy for their comments and review before filing.

SECTION B - LINE 12c: ARCUS has a Conflict of Interest Policy which applies to any member of the Board, or a member of a committee with Board delegated powers, or Key Staff (Executive Director and Director of Programs). An annual conflict of interest acknowledgment and disclosure is required by all interested persons. The policy states the procedures for determining and addressing whether a conflict of interest exists.

SECTION B - LINE 15a and 15b: Compensation of the Executive Director is reviewed and set by the Board of Directors. The Board reviews comparable compensation for a similarly qualified person in a functionally comparable position at a similarly situated organization. The Executive Director reviews the compensation of all other staff and uses comparability data and skill set to determine adequate compensation.

SECTION C: DISCLOSURE - Line 19: ARCUS makes its governing documents, conflict of interest policy and financial statements available upon request.

Name of the organization	Employer identification number
Arctic Research Consortium of the United States	92-0137088

PART IX - LINE 11g OTHER FEES FOR SERVICES: This amount is for various different types of consulting services like web design, program evaluation, report writing, and transition procedures.

ARCTIC RESEARCH CONSORTIUM
OF THE UNITED STATES, INCORPORATED

FINANCIAL STATEMENTS
AND
FEDERAL SINGLE AUDIT

Years ended September 30, 2014 and 2013

ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES, INCORPORATED

FINANCIAL STATEMENTS
AND
FEDERAL SINGLE AUDIT

Years ended September 30, 2014 and 2013

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KSH

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Certified Public Accountants
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Arctic Research Consortium of the United States, Incorporated

Report on the Financial Statements

We have audited the accompanying financial statements of Arctic Research Consortium of the United States, Incorporated (a nonprofit organization), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arctic Research Consortium of the United States, Incorporated as of September 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014, on our consideration of Arctic Research Consortium of the United States, Incorporated'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 Arctic Research Consortium of the United States, Incorporated's internal control over financial reporting and compliance.

Kohler Schmitt & Hutchison PC.

Fairbanks, Alaska
December 12, 2014

ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES, INCORPORATED
STATEMENTS OF FINANCIAL POSITION
September 30, 2014 and 2013

ASSETS

		2014	2013
CURRENT ASSETS			
Cash and cash equivalents	$	206,148	139,157
Due from funding sources		156,400	32,810
Accounts receivable - employees		13	52
Accounts receivable - other		774	2,654
Prepaid expense		48,780	66,285
Total current assets		412,115	240,958
PROPERTY AND EQUIPMENT (less accumulated depreciation of $71,157 and $66,169)		10,428	15,416
Total assets	$	422,543	256,374

LIABILITIES AND NET ASSETS

		2014	2013
CURRENT LIABILITIES			
Accounts payable		125,604	41,322
Accounts payable - other		875	422
Accrued payroll liabilities		23,976	45,969
Annual leave payable		66,615	61,334
Unearned member dues		3,300	11,203
Funding sources advances		79,065	46,778
Total current liabilities		299,435	207,028
UNRESTRICTED NET ASSETS		123,108	49,346
	$	422,543	256,374

See notes to financial statements.

ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES, INCORPORATED
STATEMENTS OF ACTIVITIES
Years ended September 30, 2014 and 2013

	2014	2013
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues:		
Membership dues	$ 11,103	13,932
NSF cooperative agreement	1,573,323	1,500,243
NPS cooperative agreement	-	5,082
Other federal grants and contracts	800,682	492,814
Book sales	781	221
Other	4,029	27,651
Total revenue	2,389,918	2,039,943
Expenses:		
Program:		
Core support	157,161	235,255
U.S. Arctic science support	203,184	44,134
Arctic science education	24,093	49,945
Arctic logistics	660,223	468,808
Outreach and information	673,834	654,362
	1,718,495	1,452,504
Management and general:		
General administration	593,681	558,638
Other	3,980	29,318
	597,661	587,956
Total expenses	2,316,156	2,040,460
Change in net assets	73,762	(518)
NET ASSETS, beginning of year	49,346	49,864
NET ASSETS, end of year	$ 123,108	49,346

See notes to financial statements.

ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES, INCORPORATED
STATEMENTS OF CASH FLOWS
Years ended September 30, 2014 and 2013

		2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from members	$	3,200	10,200
Cash received from cooperative agreements, grants and contracts		2,282,701	2,058,236
Cash received from book sales		781	221
Cash received from other sources/donations		5,948	28,141
Cash paid to suppliers and employees		(2,225,639)	(2,062,009)
Net cash provided by (used for) operating activities		66,991	34,789
Net increase (decrease) in cash		66,991	34,789
CASH AND EQUIVALENTS, beginning of year		139,157	104,368
CASH AND EQUIVALENTS, end of year	$	206,148	139,157
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Change in net assets		73,762	(518)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:			
Depreciation		4,988	4,988
Change in assets and liabilities			
Due from funding sources		(123,590)	38,320
Accounts receivable		1,919	(2,010)
Funding sources advances		32,287	21,778
Prepaid expense		17,505	(20,506)
Accounts payable and accrued expenses		68,023	(6,031)
Unearned member dues		(7,903)	(1,232)
Net cash provided by (used for) operating activities	$	66,991	34,789

See notes to financial statements.

ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES, INCORPORATED
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Arctic Research Consortium of the United States, Incorporated (ARCUS) is a nonprofit membership corporation exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation. ARCUS was formed in 1988 to serve as a forum for planning and facilitating studies of the Arctic, to synthesize and disseminate scientific information relevant to arctic research and to facilitate the education of scientists and the public in the opportunities of research in the Arctic. ARCUS consists of forty-five institutions organized and operated for educational, professional, or scientific purposes. Its revenue is primarily from a Cooperative Agreement with the National Science Foundation (NSF).

Basis of Presentation

ARCUS has adopted FASB ASC 958 which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based on the existence or absence of donor-imposed restrictions.

Method of Accounting

The accounting records are maintained on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Cash and Cash Equivalents

ARCUS maintains a checking and savings account with Wells Fargo Bank, NA. For the purposes of the financial statements, ARCUS considers all liquid investments having initial maturities of three months or less to be cash equivalents.

Receivables

Receivables include amounts due from funding sources, employees and others. When management determines that a receivable is uncollectible, the balance is removed from the receivables balance and is charged to bad debt expense. Management believes that all receivable balances are fully collectible at September 30, 2014 and 2013.

Property and Equipment

Property and equipment purchased by ARCUS, with an acquisition cost of $5,000 or more, is recorded at cost and is capitalized and depreciated over its estimated useful life of two to five years, using the straight-line method. This furniture and equipment is the property of ARCUS. Major equipment purchased under the Cooperative Agreement is capitalized and is the property of ARCUS. Depreciation expense in the amount of $4,988 and $4,988 was recorded for the years ended September 30, 2014 and 2013. Minor equipment purchased under the Cooperative Agreement is expensed and is the property of ARCUS.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Accumulated Unpaid Annual Leave

Accumulated unpaid annual leave benefits are accrued and charged to expense in the period earned by the employee.

Income Taxes

ARCUS adopted FASB ASC 740 *Accounting for Uncertainty in Income Taxes* that requires ARCUS to recognize a liability for uncertain tax positions where a liability would more likely than not be assessed by a taxing authority. Management has evaluated ARCUS' tax positions and determined there are no liabilities required to be recognized as the result of an uncertain tax position. Tax years 2010 through 2013 remain subject to examination by the federal Internal Revenue Service.

Management's 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.

Functional Allocation of Expenses

The costs of providing the programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, expenses that benefit both programs and supporting services have been allocated using management's estimates.

Subsequent Events

Management has evaluated subsequent events through December 12, 2014; the date financial statements were available to be issued and identified there were no subsequent events that required accrual or disclosure.

2. NSF COOPERATIVE AGREEMENT

On March 15, 2008, NSF entered into a 5-year cooperative agreement with ARCUS with an estimated value of $10,298,613, including supplements. The approved funding as of September 30, 2014 is $9,702,391 which covers the period from April 1, 2008 through October 31, 2014. A new five-year cooperative agreement with an estimated value of $7,315,833 was entered in to effective June 1, 2014 with funding for the first year of $1,574,123. Two new five year grants were entered in to with NSF in 2014 with combined first year funding of $1,095,601. Two other continuing grants remain in effect with NSF who remains the primary funding agency of ARCUS.

3. DUE FROM FUNDING SOURCES

Due from funding sources consists of the following:

Funding Source	2014	2013
National Science Foundation		
PLR-1331083	$ 68,477	-
PLR-0956825	34,995	10,222
PLR-1304484	17,971	2,898
PLR-1345146	33,316	-
NASA Icebridge	1,641	19,261
Applied Research In Environmental Sciences	-	429
	$ 156,400	32,810

4. FUNDING SOURCES ADVANCES:

Funding sources advances consists of the following:

Funding Source	2014	2013
National Science Foundation		
PLR-0618885	$ 6,591	42,855
PLR-1304316	72,474	-
Lockheed Martin	-	3,923
	$ 79,065	46,778

5. CHANGE IN UNRESTRICTED NET ASSETS

The change in net assets of $73,762 for the year ended September 30, 2014, was mainly effected by ARCUS' actual indirect cost rate falling below ARCUS' predetermined indirect cost rate. This anomaly was due to ARCUS operating in 2014 without a full-time Executive Director who would normally charge 20 percent to 30 percent of their time to administration. This situation is expected to reverse in 2015 when an Executive Director is hired and has significant training time charged to administration as well as the ongoing normal administration charges.

6. RETIREMENT PLAN

ARCUS has a defined contribution ("money purchase") plan established by the Board of Directors. The plan operates under section 403(b) of the Internal Revenue Code. ARCUS is the administrator of the plan. The plan year is from October 1 to September 30. Under provisions of the plan, employees are eligible to participate immediately upon their employment regardless of hours worked. The fund sponsors and funding vehicles are provided by Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF). Costs under the plan totaled $43,337 and $47,855 in 2014 and 2013, respectively.

7. LEASE COMMITMENTS

In March 2001, ARCUS began leasing its administrative office space under an operating lease agreement. Over the years the lease has been amended to add/delete office and storage space and to modify the monthly payment amounts. In March 2009, the office operating lease was amended to decrease ARCUS' occupancy space. In August of 2010, ARCUS modified the lease agreement to reflect that it no longer required the storage space in the basement. The lease expired on February 28, 2013. A new five year lease began March 1, 2013 through February 28, 2018 with a monthly lease payment of $10,720. Total expense charged under this lease was $128,640 and $128,640 in 2014 and 2013, respectively.

In July of 2013, ARCUS renewed the lease agreement for office equipment which requires 36 monthly payments of $97. Total expense charged under this lease was $1,164 and $1,164 for 2014 and 2013, respectively.

Future minimum lease payments are as follows:

2015	$ 129,804
2016	129,804
2017	128,640
2018	53,600
2019	-
	$ 441,848

8. CONTINGENCIES

ARCUS participates in cooperative agreements and grant programs that are subject to audit by the federal government or its representatives. Such audits could lead to request for reimbursement to the federal government for expenditures disallowed under terms of the agreements. Management believes such disallowances, if any, would be immaterial.

SUPPLEMENTARY INFORMATION

KSH

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Arctic Research Consortium of the United States, Incorporated

We have audited the financial statements of Arctic Research Consortium of Alaska, Incorporated as of and for the years ended September 30, 2014 and 2013, and our report thereon dated December 12, 2014, which expressed an unmodified opinion on those financial statements, appears on page one. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 11 is presented for purposes of additional analysis and is 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.

Kohler Schmitt & Hutchison PC

Fairbanks, Alaska
December 12, 2014

ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES, INCORPORATED
COMBINING STATEMENT OF REVENUES AND EXPENSES
Year ended September 30, 2014

See Independent Auditor's Report on Supplementary Information

	Corporation	NSF Cooperative Agreements	NSF PolarTREC Grants	ARIES	SEARCH	LM W/S	NASA	SEA ICE	Totals
REVENUES									
Membership dues	$ 11,103	-	-	-	-	-	-	-	11,103
Cooperative agreements	-	1,573,323	-	-	-	-	-	-	1,573,323
Contracts	-	-	-	344	-	-	30,506	-	30,850
Grants	-	-	587,910	-	84,712	-	-	97,210	769,832
Book Sales	781	-	-	-	-	-	-	-	781
Other	106	-	-	-	-	3,923	-	-	4,029
	11,990	1,573,323	587,910	344	84,712	3,923	30,506	97,210	2,389,918
EXPENSES									
Salaries and benefits	324,843	475,829	225,361	247	33,513	-	8,378	63,563	1,131,734
Travel	59	111,762	101,580	-	22,835	-	8,327	4,189	248,752
Materials and supplies	9,636	9,253	3,588	-	-	-	28	45	22,550
Publication, documentation and dissemination costs	1,882	2,827	1,026	-	470	-	-	33	6,238
Consultant services	77,445	368,417	32,278	-	-	2,817	-	-	480,957
Computer services	6,669	28,697	8,274	-	451	-	-	438	44,529
Subcontract	-	81,468	-	-	-	-	-	-	81,468
Other	170,715	67,442	50,061	-	3,563	-	197	1,536	293,514
	591,249	1,145,695	422,167	247	60,832	2,817	16,930	69,804	2,309,742
OVERHEAD APPLIED	(652,510)	427,629	165,743	97	23,882	1,106	6,647	27,405	-
UNALLOWABLE EXPENSES	3,980	-	-	-	-	-	-	-	3,980
Total expenses	(57,281)	1,573,323	587,910	344	84,712	3,923	23,577	97,210	2,313,722
Excess revenues over expenses	$ 69,270	-	-	-	-	-	6,928	-	76,196

FEDERAL SINGLE AUDIT
REPORTS AND SCHEDULES

ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES, INCORPORATED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended September 30, 2014

FEDERAL GRANTOR / PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER		AWARD AMOUNT	INCEPTION -TO- DATE EXPENDITURES	CURRENT EXPENDITURES
NATIONAL SCIENCE FOUNDATION						
Geosciences:						
Organizational Support to the U S Arctic Science Program PLR-0618885	47 050	N/A	$	9,702,391	9,693,862	1,171,320
Arctic Collaboratory for Science, Education, and Outreach PLR-1304316	47 050	N/A		1,574,123	402,003	402,003
PolarTREC PLR-0956825	47 050	N/A		2,214,139	1,926,323	265,224
PolarTREC PLR-1345146	47 050	N/A		697,102	322,686	322,686
Science Support for the Study of Environmental Arctic Change PLR-1331083	47.050	N/A		398,499	84,712	84,712
Collaborative Research: An innovative network to improve sea ice prediction PLR-1304484	47 050	N/A		435,591	101,711	97,210
			$	15,021,845	12,531,297	2,343,155

See accompanying notes to schedule of expenditures of federal awards.

ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES, INCORPORATED
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Arctic Research Consortium of the United States, Incorporated, under programs of the federal government for the year ended September 30, 2014. 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.* Because the schedule presents only a selected portion of the operations of Arctic Research Consortium of the United States, Incorporated, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Arctic Research Consortium of the United States, Incorporated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, Cost Principles for Non-Profit Organizations, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. SUBRECIPIENTS

PROGRAM TITLE	CFDA NUMBER	SUBRECIEPIENT	AMOUNT PROVIDED
Organizational Support to the U.S. Arctic Science Program PLR-0618885 and PLR-1304316	47.050	University of Colorado-Boulder	$ 81,468

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INDEPENDENT AUDITOR'S 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*

To the Board of Directors
Arctic Research Consortium of the United States, Incorporated

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 financial statements of Arctic Research Consortium of the United States, Incorporated (a nonprofit organization) which comprise the statement of financial position as of September 30, 2014, and the related statements of activities and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated December 12, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Arctic Research Consortium of the United States, Incorporated'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of Arctic Research Consortium of the United States, Incorporated'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 entity's 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Arctic Research Consortium of the United States, Incorporated's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 and compliance. Accordingly, this communication is not suitable for any other purpose.

Kohler Schmitt & Hutchison PC.

Fairbanks, Alaska
December 12, 2014

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Arctic Research Consortium of the United States, Incorporated

Report on Compliance for Each Major Federal Program

We have audited Arctic Research Consortium of the United States, Incorporated's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Arctic Research Consortium of the United States, Incorporated's major federal programs for the year ended September 30, 2014. Arctic Research Consortium of the United States, Incorporated's major federal programs are identified in the summary of auditor's results section of the accompanying 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 programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Arctic Research Consortium of the United States, Incorporated's major federal 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 program occurred. An audit includes examining, on a test basis, evidence about Arctic Research Consortium of the United States, Incorporated'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 program. However, our audit does not provide a legal determination of Arctic Research Consortium of the United States, Incorporated's compliance.

Opinion on Each Major Federal Program

In our opinion, Arctic Research Consortium of the United States, Incorporated 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 programs for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of Arctic Research Consortium of the United States, Incorporated 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 Arctic Research Consortium of the United States, Incorporated's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Arctic Research Consortium of the United States, Incorporated'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 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 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 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.

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. Accordingly, this report is not suitable for any other purpose.

Kohler Schmitt & Hutchison PC.

Fairbanks, Alaska
December 12, 2014

ARCTIC RESEARCH CONSORTIUM OF THE UNITED STATES, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended September 30, 2014

SUMMARY OF AUDITOR'S RESULTS
Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	______ Yes	__X__ No
Significant deficiencies identified that are not considered to be material weaknesses?	______ Yes	__X__ None Reported
Noncompliance material to financial statements noted?	______ Yes	__X__ No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	______ Yes	__X__ No
Significant deficiencies identified that are not considered to be material weaknesses?	______ Yes	__X__ None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133:	______ Yes	__X__ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
47.050	Geosciences

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

Auditee qualified as low-risk auditee? __X__ Yes ______ No

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None