

# 2019 - 2020 Annual Report



***The Arc***™

*New Mexico*

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## A Message from the CEO

June 27, 2020

Dear Friends, Families, and Peers,



As we boasted about our strategic initiatives last year due to the healthy status of The Arc NM, we were on track in the fall and looked forward to significant program and advocacy changes in 2020. Many initiatives took off, our client base grew, and we developed a business plan to provide a roadmap to the year 2022. In January, the Board of Directors approved a work plan to move forward with an adequate budget, new programming, and even a new location. Then the unthinkable happened. An unprecedented world pandemic that made the world stand still for several weeks.

The Arc NM reacted quickly with a response plan for keeping the staff and clients safe. We continue to provide essential services to our community from home and the office but just a little differently. We took the initiative to make decisions to simply adjust and stay on track with our planning.

In the midst of this significant adjustment, a wave of racial injustice was countered with remarkable protests and resistance. Like many small nonprofits, it made us challenge ourselves to see if we are doing enough to help support this important narrative to take action in a way that also supports our mission. Despite the turmoil of the situation in our country and the world, we are grateful for The Arc of New Mexico's talented staff who humbly continue to charge forward with the mission of supporting people with intellectual and developmental disabilities.

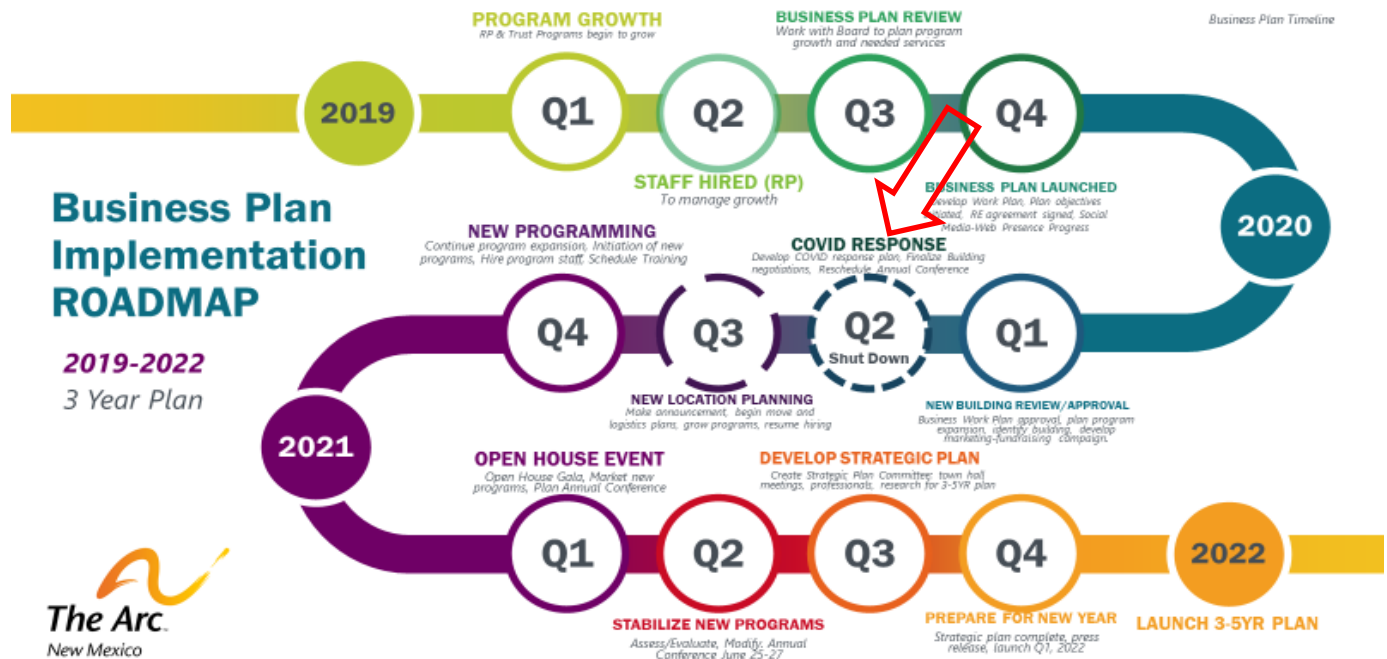
This report reflects a message of hope from The Arc Family, with better days to come.

A handwritten signature in black ink, appearing to read "Veronica Chavez". The signature is fluid and cursive, with a long horizontal line extending to the right.

# TO OUR COMMUNITY

## Strategic Highlights

As indicated in our roadmap, The Arc of New Mexico has followed our plan, with slight adjustments, to grow and integrate advocacy, education, and training. We recognize the importance for continuation of existing services during a public health crisis, while simultaneously maintaining our progressive agenda for new programming. The Arc staff and Board members have contributed to this plan by approving new trust rate structures, new funding sources, an impressive forethought for a higher education scholarship program, and an aggressive plan to locate a new home for our offices. We are still anticipating the need for more space and an environment for training capabilities. These notable achievements have provided a foundation for The Arc NM to build a future organization that is expanding its services to our community.



## Mission and Focus

The mission of The Arc of New Mexico is to protect the human rights of people with intellectual and developmental disabilities (I/DD) and actively support their full inclusion and participation in the community throughout their lifetimes. We have continued to support this philosophy by focusing on legislative priorities, developing our programs, and implementing new ideas for ensuring these rights are upheld.

## Financial Highlights

The Arc of New Mexico is in a healthy financial state as illustrated by the financial summary, but as we weather the volatile storm of the financial markets through a pandemic, we will continue to follow our plans for new programming and investment in a new location for that growth.

## Operating Highlights

As our plans for growth in each program rolled out, and the introduction of the Sexual Assault services was well-received, we find ourselves working toward the values of diversity and inclusion as a natural outcome of national events unfolding. We find ourselves developing a new way of serving people with I/DD. Our advocacy is more important than ever.

Intersectionality has given many [self] advocates a way to frame their circumstances and to fight for their visibility and inclusion.  
-Kimberle Crenshaw

## Major contributions and accomplishments

Over the last year, our mantra has been “The Arc is here for you”. We don’t say no when we are asked to help and support individuals who have been exploited, or when agencies can no longer provide support. No project is too small. For example, a small grant to promote Census 2020 so NM will receive adequate funding for state and federal support such as Medicaid and waiver services, is a considerable effort to encourage our community to participate in this environment.

**The Arc**  
New Mexico

Individuals with Intellectual and Developmental Disabilities

**90%** Become Victims of Sexual Violence During Their Lifetimes

**50%** Experience 10 or More Incidents of Sexual Assault

**These individuals are:**

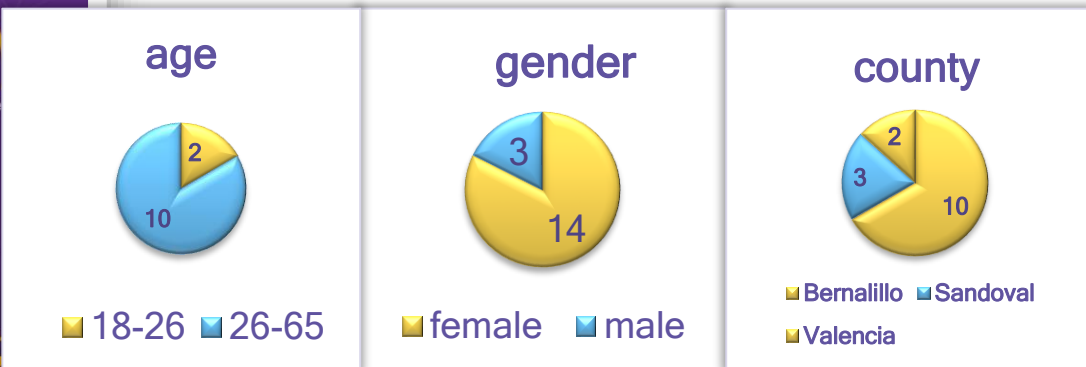
- More likely to be isolated
- Taught compliance
- Not given facts about sexual education
- 4.6 times higher risk of becoming sexually assaulted or a victim of sex trafficking as children

April is Sexual Assault Awareness Month

**The Arc New Mexico is here to help**

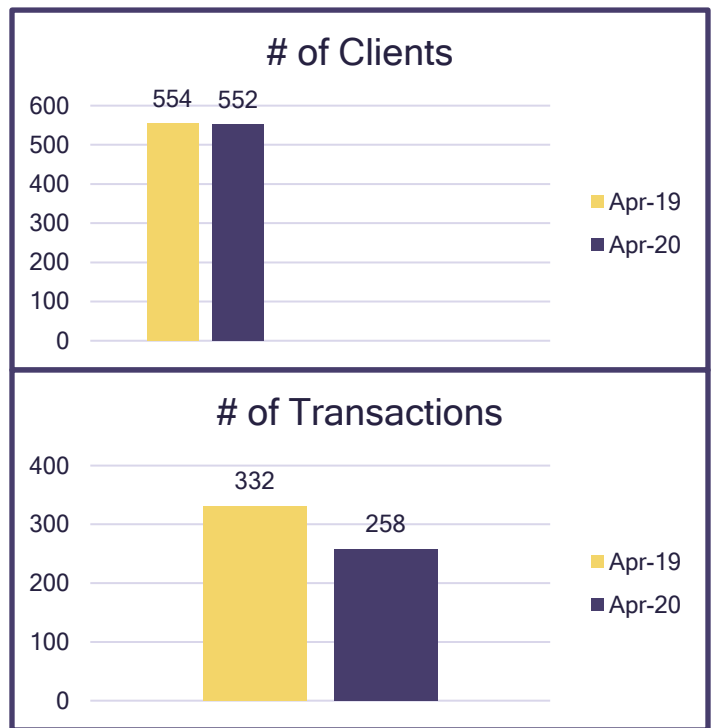
Reach out to an advocate at (505)-883-4630 extension 1

The Sexual Assault Services program provided advocacy to 22 people in six counties. The average number of clients is between 21-25 individuals.

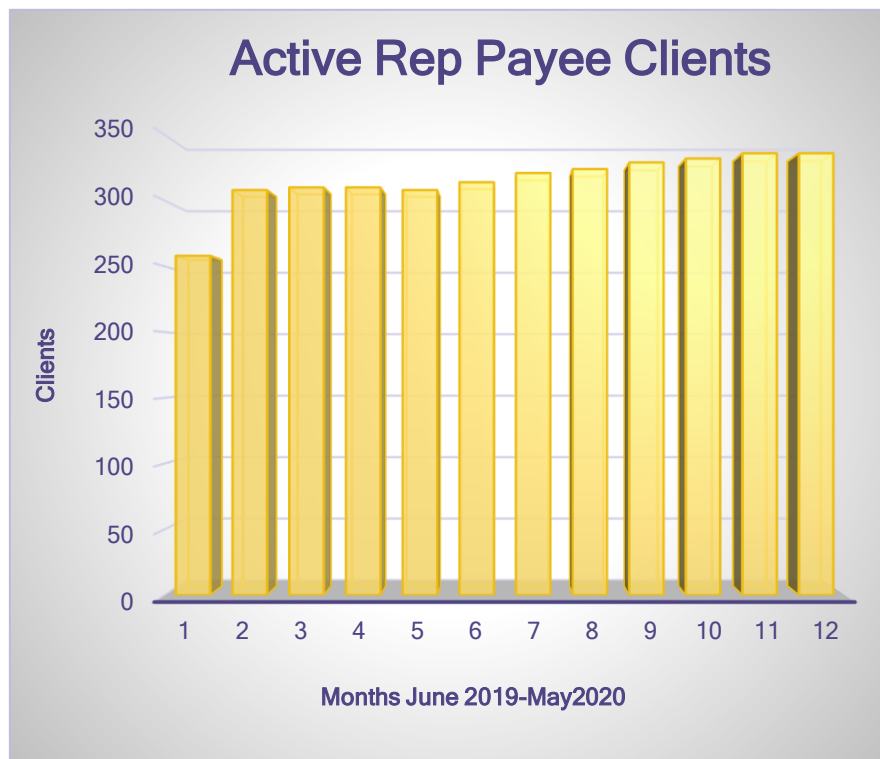


**Trust Services**

Our goal is to be able to educate, advocate, and maintain our customer service to assist clients to our best ability in order to improve the quality of life for individuals with disabilities by allowing our clients to deposit funds in a special needs trust to provide financial resources to supplement their needs by adhering to the regulations set forth by Social Security and Medicaid. The trust department managed the selling of two MTH clients' properties the Arc of NM held in assets. The processes encountered their own unusual circumstances; however, the end results were



successful. Our challenges within this past year has been heightened by the onset of the Coronavirus and the impact of the shutdown orders from Governor Lujan-Grisham. The 2019 audit was completed electronically. Typical audits are an undertaking with time and effort, and this unusual circumstance did present certain obstacles, but manageable and completed within time frame. Trust Services managed to maintain our commitment to our clients while adhering to the office and work at home schedules. We opened 17 new trust accounts during the first quarter of 2020, which exhibits business as usual with need for Pooled Trusts within the community. The first graph indicates same number of clients in 2020 as compared to 2019, due to trust termination and deaths of clients. Due to the pandemic in the first four months of 2020, the second graph indicates a decrease in the number of transactions processed in April 2020 as compared to April 2019.



**The Arc's Representative Payee** program had a busy year with many challenges. It started with the influx of 185 new clients due to Rep Payee agencies closing, learning the True Link system to get that many clients their funds on a weekly, bi-weekly, or monthly basis. In December, a bank issue challenged the program right before the holidays; learning a new banking system while still doing the daily transactions and handling emergencies when they

occurred. The COVID-19 shut down in March simply slowed but did not stop processing payments to those in need. The program is expected to support up to 500 people by the end of year 2020.

## A DAY IN THE LIFE OF A GUARDIAN

1

### Wake and have breakfast.

9:00 a.m.

Get some nourishment before you begin your day. Good time to review your schedule for the day. The day may go as planned, but it will most likely not. You may need to react to emergent situations that your Protected Persons are involved with and need your guidance and help. Best to be prepared!

2

### Read and reply to emails.

10:00 a.m.

Review emails, voicemails, and texts first thing. There may be team meetings or medical appointments for today that has been changed or cancelled for some reason that could greatly impact your day.

3

### Take a break for lunch.

12:00 noon

To be honest, this rarely happens during the work week. I can guarantee that with team meetings, medical appointments, visits at home sites and day programs, travel time, administrative duties, you will rarely have time to sit down for lunch.

4

### Conduct Visits

2:00 p.m.

Most all of the individuals that we serve that are on the DD Waiver attend a day program, receive 1:1 staffing in the community, or have their own employment during the day. It is important to evaluate the services being provided, your Protected Person's satisfaction, and address any outstanding issues

5

### Filing and notes

4:00 p.m.

Make time to keep up with your Protected Person visit notes, this will ensure that you are capturing important data to document but should also allow time for a better quality documentation entry.

6

### Final work check, Prep for next day

6:00 p.m.

This is a good time to review your day. Did you complete all of your checklist items? Create your checklist of items "To Do" tomorrow. But please don't forget to have some fun!

Credits:  
Mr. Dwight Clark

## Guardianship program

continues to grow steadily with new referrals expected in the next few months. The average number of clients per guardian is 27. The most significant challenge for the program over the last few months is the inability to visit clients face-to-face per State order due the current health crisis. This is generating a new discussion about how we can serve our clients innovatively to fulfill the requirements according to court order.

Arc New Mexico Funding Sources	Percent
State contracts or federal grants	48%
Fee for Service, Regular Income	42%
Donations	2%
Other Grants	8%
Total Budget	100%





**Down Syndrome Fund Recipients**  
 Nashville, TN | Congressional Meetings, DC





## Looking Ahead

The Arc of New Mexico intends to have a continuous focus on self-advocate support. We have committed to attend and host meetings and events for self-advocates and gathering information on what the priorities are. The influence of the Coronavirus disease has compelled us review how we are doing business, and how we could do better in the environment of a public health crisis. Further disturbing the norm in the last few months is the compelling racial injustice that we all know about and are witnessing right in front of our eyes. The unfolding of this crisis made us look deep within and ask ourselves whether we do enough to mitigate.

We must take a holistic view of the people we serve and incorporate intersectionality and embrace diversity into our work. We appreciate that building partnerships with our peer agencies will be important to ensure the rights of the population we serve throughout their lifetimes. With this environment, the need is consistent and significant, and the core services we provide, Guardianship, Representative Payee, and Trusts, will continue as work with self-advocates develops.

As the need for services grows in New Mexico, The Arc organization must be there to help set the standard and goals for supporting positive change in the midst of unprecedented events. Our community needs us, and we must be there for them.

To bring about change, you must not be afraid to take the first step. We will fail when we fail to try.

- Rosa Parks

## Statement of Financial Position

### The Arc of New Mexico and Affiliates Consolidated Statements of Financial Position December 31,

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 179,959	\$ 201,590
Grants and accounts receivable, net	168,601	184,126
Prepays and other assets	<u>17,614</u>	<u>5,790</u>
Total current assets	366,174	391,506
Investments	2,352,813	1,950,769
Investments held for permanent endowment	191,559	191,559
Property, furniture and equipment, net	<u>233,255</u>	<u>236,734</u>
Total assets	<u>\$ 3,143,801</u>	<u>\$ 2,770,568</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 14,941	\$ 21,130
Accrued expenses	<u>37,070</u>	<u>31,947</u>
Total current liabilities	<u>52,011</u>	<u>53,077</u>
Net assets without donor restrictions:		
Undesignated	2,087,213	2,039,012
Board designated	<u>382,665</u>	<u>132,665</u>
Total net assets without donor restrictions	<u>2,469,878</u>	<u>2,171,677</u>
Net assets with donor restrictions:		
Purpose restricted	430,353	354,255
Endowment fund	<u>191,559</u>	<u>191,559</u>
Total net assets with donor restrictions	<u>621,912</u>	<u>545,814</u>
Total net assets	<u>3,091,790</u>	<u>2,717,491</u>
Total liabilities and net assets	<u>\$ 3,143,801</u>	<u>\$ 2,770,568</u>

## Debt

The Arc of New Mexico is currently in a debt-free position. When The Arc NM finalizes its relocation plan, it will most likely incur some short-term liability to settle in our new environment. Depending on the overall cost and funding contribution, the company may also discover a revenue source.

## Investments

The Arc's investments follow an investment policy that emphasize only socially responsible investments. There was significant growth in 2019, but with the influence of COVID-19 on the markets, the investments took an overall 7% dip in the first quarter of 2020.

## Going Concern

Policies around guardianship and overall support for persons with intellectual and

developmental disabilities continue to change.

The Arc NM is particularly concerned over decisions that are being made with stay at home orders that are challenging people's rights and re-determining the cost of their supports.

Due to the economic downturn caused by the COVID-19 pandemic, investment assets for The Arc NM dipped in March and April 2020 and are currently flattening out. 2020 is expected to be a challenging year in investment market history.

## Takeaways

The Arc NM will need to continue as a strong agent of advocacy for people in these uncertain times. We must be at the table when change is forthcoming as an advocacy agency to ensure the rights of individuals with I/DD are being withheld.

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# INDEPENDENT AUDITOR'S REPORT

## Auditor's Report

### *Opinion*

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Arc as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Section I – Financial Statement Findings**

None.

## Statement of Cash Flows

### The Arc of New Mexico and Affiliates Consolidated Statements of Cash Flows For the Years Ended December 31,

	2019	2018
<b>Cash flows from operating activities</b>		
Cash received from grants and contracts	\$ 868,965	\$ 798,371
Cash received from client services	540,221	587,992
Cash received from contributions	247,900	148,469
Cash received from others	3,453	3,528
Cash received from special events	16,405	-
Cash paid to employees and suppliers	(1,672,174)	(1,445,958)
Interest and dividends received	158,179	101,097
Net cash provided by operating activities	<u>162,949</u>	<u>193,499</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	129,636	651,462
Purchases of equipment	(13,583)	-
Purchase of investments	<u>(300,633)</u>	<u>(842,217)</u>
Net cash used by investing activities	<u>(184,580)</u>	<u>(190,755)</u>
Net increase (decrease) in cash and cash equivalents	(21,631)	2,744
Cash and cash equivalents, beginning of year	<u>201,590</u>	<u>198,846</u>
Cash and cash equivalents, end of year	<u>\$ 179,959</u>	<u>\$ 201,590</u>
<b>Reconciliation of change in net assets to net cash provided by operating activities</b>		
Change in net assets	<u>\$ 374,299</u>	<u>\$ (88,585)</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	17,062	16,523
Salvage write-off	26,000	-
Realized and unrealized (gain) losses on investments	(231,047)	244,732
Changes in assets and liabilities		
Grants and accounts receivable	(10,475)	53,862
Prepays and other assets	(11,824)	489
Accounts payable	(6,189)	2,977
Accrued expenses	5,123	(36,499)
Total adjustments	<u>(211,350)</u>	<u>282,084</u>
Net cash provided by operating activities	<u>\$ 162,949</u>	<u>\$ 193,499</u>

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TO OUR DONORS:

A special Thank You to all our Donors!

Because of you,

we were able to provide critical

Support Services, Education,

and

Advocacy to nearly

2,000 Individuals!