

2020 - 2021 Annual Report



The Arc™

New Mexico

Email: vcneuman@arcnm.org

Website: <https://www.arcnm.org/>

505.883.4630

5130 Masthead St. NE

Albuquerque, NM 87109

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A Message from the CEO

June 23, 2021

Dear Friends, Families, and Peers,



First, I want to share with you that I am so grateful for working with a diverse team of people at an organization that has impacted my life on a personal level. As a life-long advocate for people with disabilities, never did I dream to be in a position to really make a difference. But I cannot do this alone. Representing a disability advocacy nonprofit organization takes a team of dedicated people and business partners to make it all work. The knowledgeable staff here have helped to navigate new legislative reforms for guardianship, trust certification requirements, and so much more. When I think about how far The Arc has come in just a few short years, it makes me proud of our accomplishments and the unlimited possibilities for advocating for people with intellectual and developmental disabilities into the future.

How does this impact our community? The Arc of New Mexico is over 66 years old and growing, but we were running out of space, which limits our opportunity to collaborate with our community and to fulfill requests for training, education, and technical assistance. We see the opportunity for program growth, but we reached a capacity limitation. There was no room for new employees, new program management, training, and educational opportunities. We had a plan to change that scenario, and despite the risks associated with a public health crisis, we continued with the plan to secure a new building that will address these issues and more.

No doubt the most significant accomplishment this past year was moving to a new, larger facility to do our work. Now, in our new location on Masthead St. NE, The Arc of New Mexico has many opportunities to provide more advocacy support and distinct program activities to enhance existing programs such as financial coaching, victim advocacy, and the planning and development of new programs for consumers. Our plans

include the initiation and implementation of our center for advocacy and education to provide training on current topics and policy issues such as: competitive employment and best practices, trauma informed care, navigating the State’s “system” of services, financial counseling, the intersectionality of disability and other social differences, and collaborative initiatives such as supported decision making. Our *John W. Foley Education Center* and training rooms have advanced technology to allow for in-person, remote, or hybrid training opportunities.

We are grateful that the Board of Directors had the foresight and recognized that the previous location was holding back organization and program growth. They know that with a larger space, we will be able to better collaborate and share expertise, and to leave a legacy in supporting the rights of people with intellectual and developmental disabilities far, far into the future.

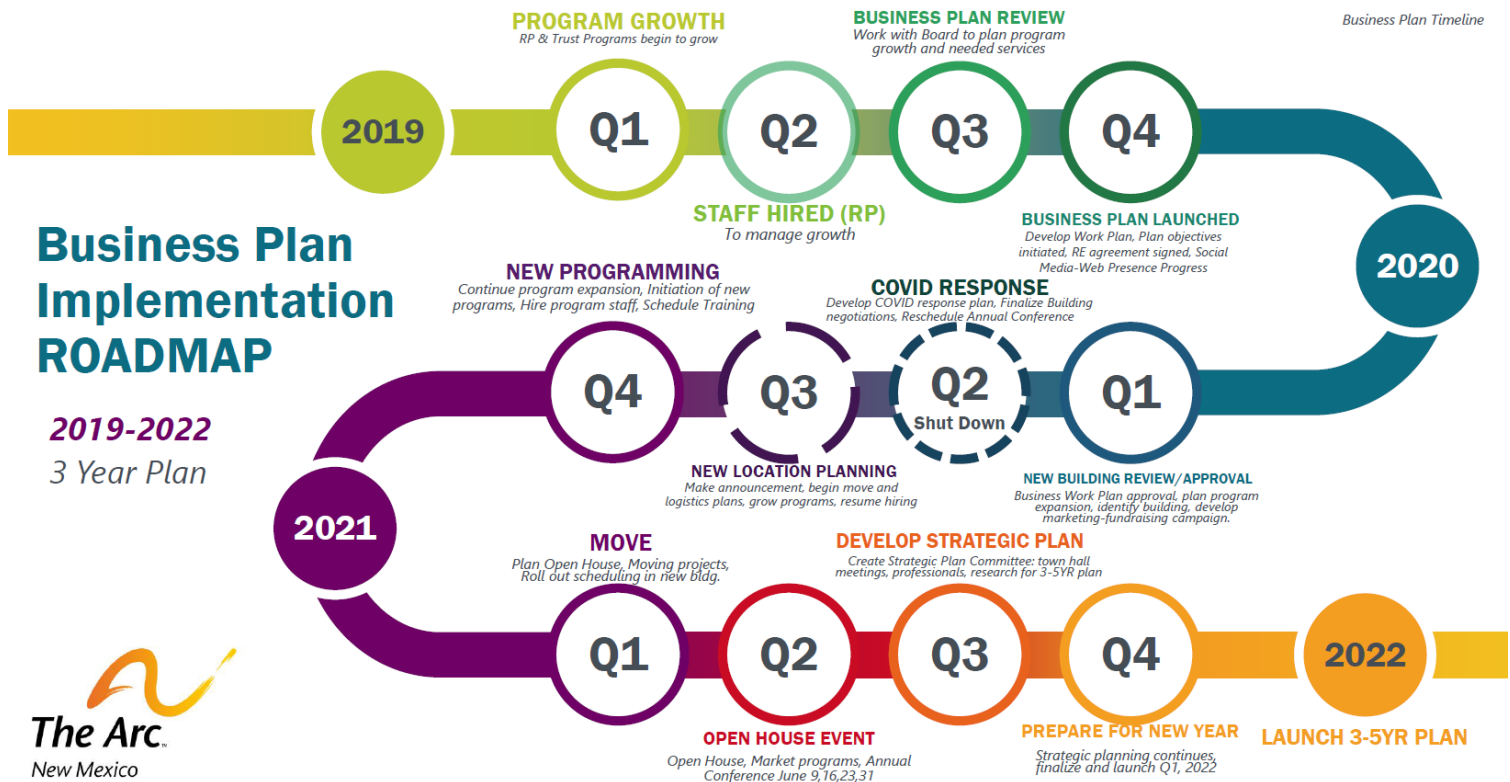
We hope that you enjoy this report from The Arc Family as we are proud of where we are going!

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

Slightly updated from last year, The Arc of New Mexico has followed this roadmap, with slight adjustments, to grow and integrate advocacy, education, and training. Now that we are set-up and working in our new offices, we are building capacity with staffing and expertise to implement programs and prepare for our strategic planning process. Our successful [virtual open house](#) event brought community members and business partners together to discuss *Advocacy, Supporting The Arc*, and highlighted all of our great programs. We also had games and community fun for entertainment! Then we jumped right in to our 100% virtual [Moving Forward Conference and Self-Advocate Summit](#). The Arc NM has remained resilient! We are looking forward to engaging the community in our strategic plan this fall.



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 has survived the impact of the pandemic and remains in a healthy financial state as illustrated by the financial summary.

Operating Highlights

Despite having 'lost time' in person, everyone stayed safe and continued to do what we could with creative new ideas, remotely and in the office. We implemented two new software applications to streamline the HR process, archived important documents, displayed client art, and participated with self-advocate virtual meetings and efforts. We accepted our Trust company certification with the highest score and were entrusted with many rep payee clients who had nowhere to go. We worked on policy issues even though the legislative process was, well, strange. We successfully completed the purchase and move into a new headquarters.

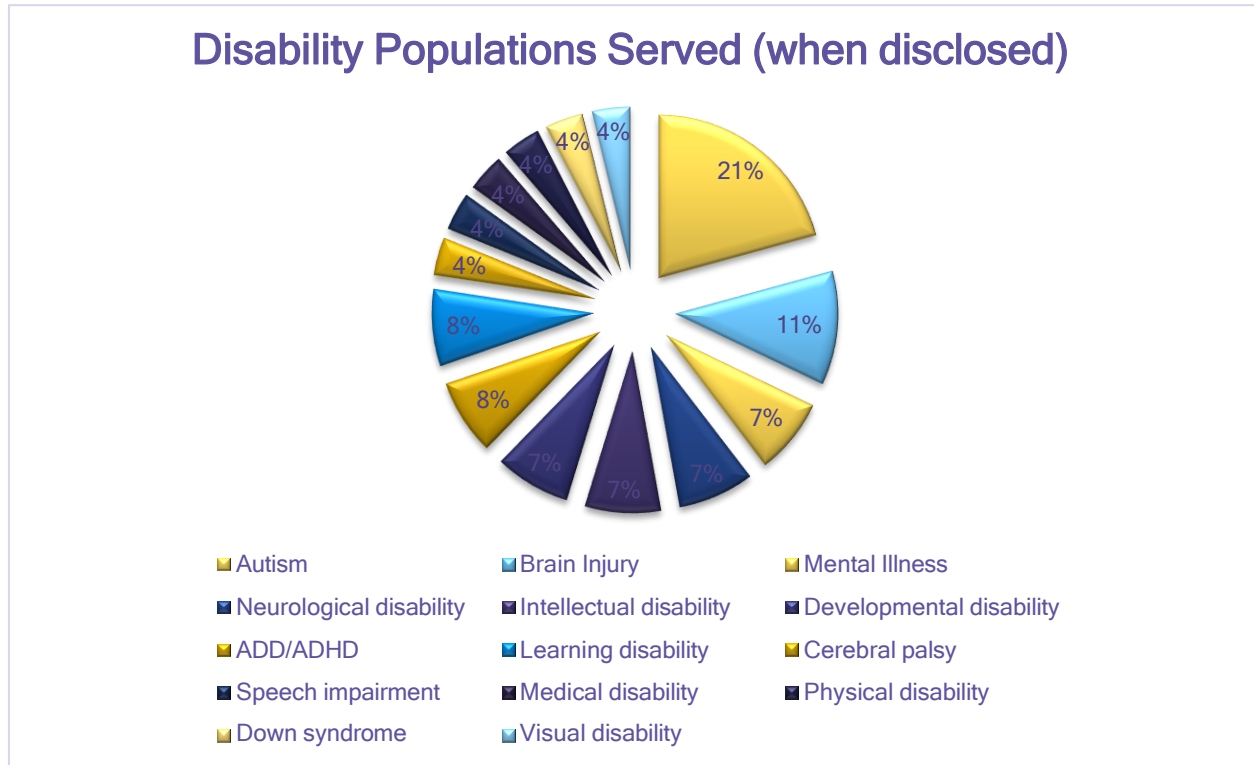
Major contributions and accomplishments

As we round up the end of Quarter 2 and begin to open our office to in-person meetings and events, we reflect on settling in our new space. The major accomplishment of the year was the purchase of a new building. Then all the following tasks which included

- The initiation of Tenant improvements to the new building
- Moved in to the building, including acquisition projects to support the move
- Cleaned out the Carlisle location to prep for sale (sale is currently pending)

We also managed to host four important online conference/events, including a live virtual Open House!

The **Sexual Assault Services** program provided advocacy to 17 people in six counties. The average number of clients is between 21-25 individuals. The program currently has 4 active cases with intakes completed since January 2021, and about 12 cases that are somewhat active without intakes completed (for people that want ongoing resources/support/referrals without completing any paperwork - the sexual assault advocate must respect their choices and privacy).

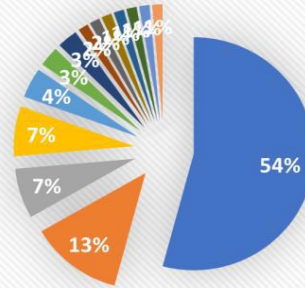


General Advocacy Work: Inquiries about Guardianship, the DD Waiver/Medicaid, and housing are becoming common themes in the phone calls coming in. A variety of intakes have been made over the year, such as individuals or parents needing help with waiver applications. Call Demographics: Given that there are often co-occurrences in many of these categories, each data point does not necessarily represent one individual call. Some data points may also be drawn from the same clients who called multiple times regarding different issues.

Regional advocates are experiencing a variety of similar calls and currently seem to be hearing more from people since the state is opening up. The following charts show the level of calls we receive every day.

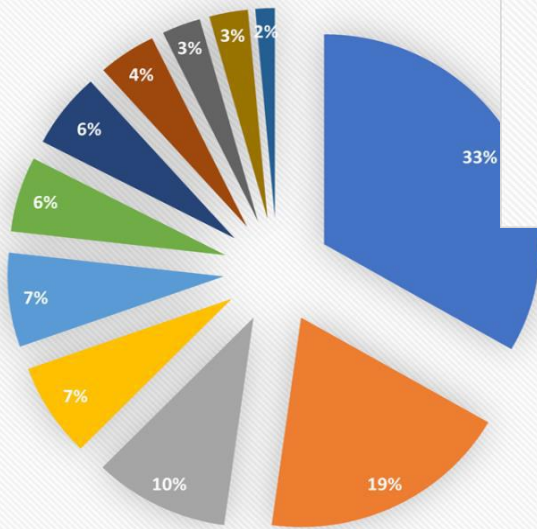
Advocacy Calls Breakdown

Level One Callers by Region



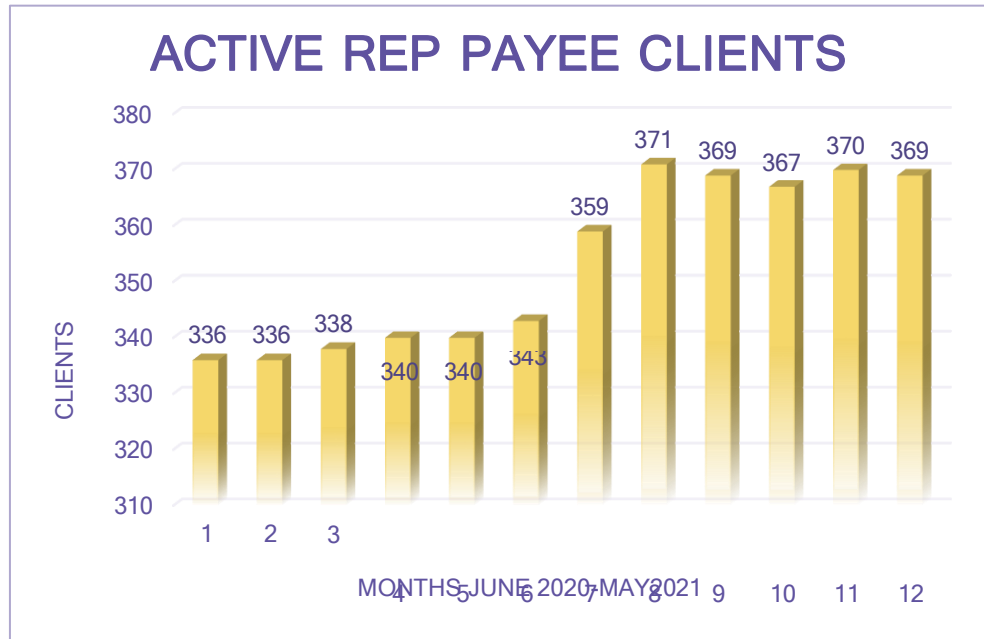
- ABQ/Bernalillo County
- Santa Fe
- Roswell
- Las Vegas
- Lincoln
- Farmington
- Alamagordo
- Las Cruces/ Dona Ana county
- Out of State
- Eddy County
- Gallup
- Rio Rancho
- Estancia
- Hobbs

Level One Callers



- Parent
- Sibling
- Social worker
- Coordinator/case worker
- Self Advocate
- Advocate
- Agency
- Spouse
- Other relative
- Teacher or school professional
- Non-relative guardian/caretaker

The Arc's Representative Payee Program | This Program has continued to slowly expand while working through a public health crisis, the Rep Payee Specialists working from home, other Rep Payee agencies closing,



and preparing for a move to the new building. The number of clients served by rep payee is just above 369.

Most clients have received a total of three Stimulus payments. The Arc of New Mexico Rep Payee Program is now overseeing STABLE accounts.

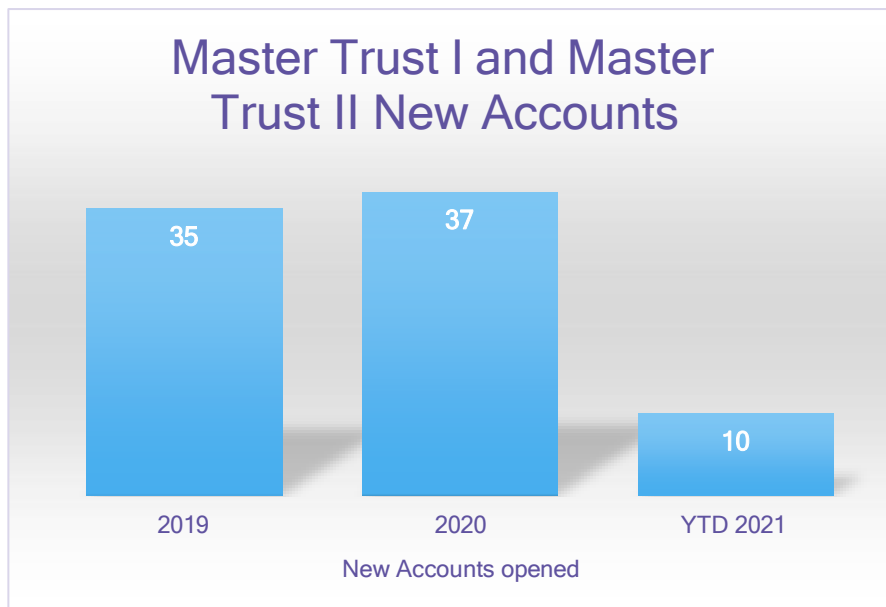
The Guardianship program continues to grow steadily. Over the last year the program has experienced many pandemic related challenges. With the COVID spread in early 2020 we had to adjust to virtual visits, while trying to assure our client's wellbeing when only seeing them on camera. Medical appointments and decision-making became very challenging, and guardians had to be creative to the best of their ability.

We faced another challenge when it came to deciding if our protected people should or should not get vaccinated. After discussion between the guardian coordinators, and guidance from our attorneys and finally the Office of Guardianship, the majority of our protected persons have been vaccinated. That left a few individuals that have not been vaccinated either because they themselves have refused, they have an allergy, or it was a family preference.

Coordinator retention and recruitment has been challenging. COVID has made it difficult to recruit new guardians. This causes the remaining guardian caseload to increase, including for the program managers and director. At the end of April, the State announced the ability for guardians to go back into the homes, with May being the first month for all visits required to be face to face. With meetings conducted virtual and in-person visits allowed; it causes double visits with a backlog challenge.

The program maintained an average of 184 clients despite barriers to visitation. This has remained consistent with 2020 numbers.

**POOLED TRUST SERVICES:
Stabilized at 539 clients. More trusts
opened in 2020 than in 2019.**



Looking Ahead

As we look toward the new year, with the hope of an end to an extremely disruptive time in our history, The Arc will continue on with its goals for enhancing our programs in a new building, more outreach and collaboration with our colleagues, and growth of new programming that centers on **ADVOCACY**.



Additionally, at the end of this calendar year, we will be stepping into a new year of strategic planning development for the next five years. To do this, we will leverage the accomplishments in the business plan as we have a foundation for launching the strategic plan needs assessment. We will start with developing a framework and the following Objectives: Strategic Clarity, Strategic Priorities, Resource Implications, and develop Performance Measures.

The next steps are to bring this work out to the community for town hall discussions and ideas. Input from the community in all parts of the state is essential for a successful plan.

The Arc of New Mexico is in an excellent position to begin a track toward innovative services that match the current times. Post pandemic, many Arc chapters around the country have found themselves wondering how things will progress with traditional services for people with intellectual and developmental disabilities. There are serious concerns about policy changes at a national and state level, and the overall state of nonprofit survival. These are all real things we must consider when developing a strategy for successful delivery of services and support to our target community.

Never-the-less, The Arc New Mexico will continue its commitment its mission by building out advocacy services, and integrate that into our focus areas of the strategic framework.

The future depends on what you do today
- Mahatma Gandhi

Statement of Financial Position

The Arc of New Mexico and Affiliates

Consolidated Statements of Financial Position

December 31,

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 629,640	\$ 179,959
Grants and accounts receivable, net	199,845	168,601
Prepays and other assets	6,270	17,614
Total current assets	<u>835,755</u>	<u>366,174</u>
Investments	2,303,123	2,352,813
Investments held for permanent endowment	191,559	191,559
Property, furniture and equipment, net	2,948,058	233,255
Total assets	<u>\$ 6,278,495</u>	<u>\$ 3,143,801</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 40,763	\$ 14,941
Accrued expenses	49,712	37,070
Current portion of note payable	72,413	-
Total current liabilities	<u>162,888</u>	<u>52,011</u>
Note payable, current portion	<u>1,947,960</u>	<u>-</u>
Total liabilities	<u>2,110,848</u>	<u>52,011</u>
Net assets without donor restrictions:		
Undesignated	3,030,591	2,087,213
Board designated	443,729	382,665
Total net assets without donor restrictions	<u>3,474,320</u>	<u>2,469,878</u>
Net assets with donor restrictions:		
Purpose restricted	501,768	430,353
Endowment fund	191,559	191,559
Total net assets with donor restrictions	<u>693,327</u>	<u>621,912</u>
Total net assets	<u>4,167,647</u>	<u>3,091,790</u>
Total liabilities and net assets	<u>\$ 6,278,495</u>	<u>\$ 3,143,801</u>

Debt

The Arc of New Mexico is currently in a balanced debt to income ratio with a new building adding increased assets. The company did incur some short-term move-in and improvement expenses, and now manages the expense of a mortgage for the building with revenue sources offsetting the expense.

Investments

The Arc's investments follow an investment policy that emphasize only socially responsible investments. Interestingly, the effects of COVID-19 on the markets were surprisingly slim. The Arc ended the year 2020 with an overall increase on investment balances.

Going Concern (Pandemic Impact on Guardianship)

Policies around guardianship and overall

support for persons with intellectual and developmental disabilities continue to emerge. The Arc NM has endured long months during the pandemic not being able to see clients in person, with a variety of consequences. Severe behavioral changes, isolation, medical and direct support concerns were common. Providers that we rely on had challenges with information coming from officials that forced every provider to interpret and act as they had to for survival. Although the State is opening up, the disability community continues to adjust to this new world of uncertainty and wait for the final economic impact, still not fully understood. The Arc remains cautiously optimistic. We must be at the table when change is forthcoming as an advocacy agency to ensure the rights of people with intellectual and developmental disabilities are being upheld.

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, 2020, 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.

The Arc of New Mexico and Affiliates **Schedule of Findings** **For the Year Ended December 31, 2020 and 2019**

Section I – Financial Statement Findings

None.

Section II – Summary of Prior Year Findings

None.

Statement of Cash Flows

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

	2020	2019
Cash flows from operating activities		
Cash received from grants and contracts	\$ 1,228,558	\$ 868,965
Cash received from client services	516,340	540,221
Cash received from contributions	219,493	247,900
Cash received from others	500	3,453
Cash received from special events	13,004	16,405
Cash received from rental income	162,138	-
Cash received from refundable advances - Paycheck Protection Program	225,415	-
Cash paid to employees and suppliers	(1,503,648)	(1,672,174)
Interest and dividends received	44,218	86,936
Net cash provided by operating activities	906,018	91,706
Cash flows from investing activities		
Proceeds from sale of investments	2,208,750	129,636
Purchases of equipment	-	(13,583)
Purchase of office building	(687,500)	-
Purchase of investments	(1,935,460)	(229,390)
Net cash used by investing activities	(414,210)	(113,337)
Cash flows from financing activities		
Payments on note payable	(42,127)	-
Net cash used by financing activities	(42,127)	-
Net increase (decrease) in cash and cash equivalents	449,681	(21,631)
Cash and cash equivalents, beginning of year	179,959	201,590
Cash and cash equivalents, end of year	\$ 629,640	\$ 179,959
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 1,075,857	\$ 374,299
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	35,197	17,062
Salvage write-off	-	26,000
Realized and unrealized gain on investments	(223,600)	(302,290)
Changes in assets and liabilities		
Grants and accounts receivable	(31,244)	(10,475)
Prepays and other assets	11,344	(11,824)
Accounts payable	25,822	(6,189)
Accrued expenses	12,642	5,123
Total adjustments	(169,839)	(282,593)
Net cash provided by operating activities	\$ 906,018	\$ 91,706

TO OUR DONORS:

Thank you for your generosity!

Because of you,
we were able to provide critical
Financial Support Services, Victim Services,
and overall
Advocacy to over
2,000 Individuals!