

2021 - 2022 Annual Report



The Arc™

New Mexico

5130 Masthead St. NE, 505.883.4630

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

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A Message from the CEO

June 24, 2022

Dear Friends, Families, and Peers,

I am thrilled to tell you about our first year in our new building location at 5130 Masthead St. NE. Just as we had anticipated, we have expanded our programs, and are serving more people in New Mexico than before. We have the capacity to continue growth and have launched our new Center for Advocacy and Education with great anticipation for new programming. The impact has been steady, and we are already hosting in-house events and meetings for the community. The space has provided us a safe way to bring people back to the office and provide continuous services.



The future of The Arc NM is a continued fight for the rights of people with intellectual and developmental disabilities; life in the community and the funding and services that can help get them there. Furthermore, we must support efforts to keep the waitlist for services down in New Mexico. But we will need to focus on issues such as increasing home and community-based services funding to address the crisis in our system of care, and we must support pay increases for direct support providers to help deter critical staffing shortages and provide more support for unpaid family caregivers. Finally, we must support the movement toward alternatives to independence such as supported decision making.

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

A handwritten signature in black ink, reading "Veronica Chavez Neuman". The signature is written in a cursive, flowing style.

TO OUR COMMUNITY

Strategic Highlights

Our mid-year started with the loss of one of our beloved advocates, Mr. John Foley. He was a great teacher, father, mentor and friend to us all, but his passing motivated us even more to move our mission forward. We can feel his legacy every day with the high standards he set as we evaluate The Arc's standing in our community.

Our plans to implement new program growth and new programming and events have come to fruition over the past year but we still have a lot of work to do. We recently renewed our sexual assault victim advocate grant, hired new team members, and have gone from hosting meetings and events 100% online, to face to face events. We are finally able to begin in-person community outreach. After a long wait of developing a unique way to honor our consumers who have passed away, we installed a beautiful *Tree of Remembrance*. But the best accomplishment for me is building a team of very dedicated staff and leadership that has provided an excellent infrastructure and capacity to manage what is in our future.

While the Trust, Guardianship, and Representative Payee programs continue to be our anchor programs, the Public Policy program has developed into more interaction and outreach within the community, and we are excited to integrate the strategic planning process with our outreach and public policy efforts this fall. The Advocacy and Education program has enhanced victim advocacy support, financial inclusion and education, and the initiation of the training and education function for staff and consumers.

Finally, we can now see the path for the next few years by focusing on our strategic planning process. Sprinkled about in this report are some data points for each program.



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 to 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 had tremendous financial investment growth during most of 2021, and while we remain in a healthy financial state, our financial investment team is keeping a close watch on the current volatility of the markets. 2022 is yielding investment losses with the risk of inflation in today's economy. Our financial summary shows an increase in net assets, with also an increase in expenses in our new building. With the growth of our programming, we anticipate the expenses to level off.

Operating Highlights

The Arc of New Mexico sold the Carlisle building and established a building reserve fund. We worked on upgrades to the building over the last year, focused on environmental impact by installing LED lighting throughout the building, and updated the property landscape with a xeriscape design. Both of those improvements resulted in thousands of dollars in City rebates, as well as lower utility costs. We also had LED outdoor security lighting installed throughout the exterior of the building and secured a recycling bin for responsible refuse disposal.

additionally, we increased our funding streams with a grant renewal at nearly twice the amount from previous years, increased our typical contract amounts due to opening up, along with planning for the use of our retention credits.

Major contributions and accomplishments

Major accomplishments this past year included the hiring of two excellent program leads and one manager. The impact was immediate as there were recent turnovers in sexual assault services and general advocacy, and we had to build capacity. Both the new advocacy and education director and our public policy officer hit the ground running on some much needed and timely work.

The major accomplishment of the year was the sale of our home office of more than 20 years, a small building on Carlisle NE. The sale resulted in the establishment of a building reserve investment account to protect and support our new building's improvements over time.

Other accomplishments in the past year:

- Awarded three full education scholarships to students with developmental disabilities.
- Hosted a *hybrid-style* Disability Rights Awareness Days conference.
- Hosted the well received, *in-person*, The Arc Moving Forward annual conference and Self-Advocate Summit.
- Established a *Wall of Remembrance* as an art installation to honor former clients and others who uplifted the lives of people in the disability community in extraordinary ways.
- Received awards of nearly \$100,000 in new grant funds.



Sexual assault statistics for persons with I/DD

- 90% of all people with developmental disabilities are likely to have experienced sexual assault. (2007 Bureau of Justice statistics special report on crime against people with disabilities)
- 49% of people with developmental disabilities who have been sexually assaulted will experience 10 or more sexual assaults in their lifetimes. (According to Leigh Ann Davis, Director of the National Center for Criminal Justice and Disability)
- “These crimes go mostly unrecognized, unprosecuted, and unpunished” according to Joseph Shapiro, NPR Journalist, January 8, 2018.
- Individuals with developmental disabilities who live in private family homes are 7% more likely to be sexually assaulted than individuals without developmental disabilities. (Department of Justice statistics provided to NPR for the program, “The Sexual Assault Epidemic No One Talks About” January 2018)

General Advocacy Work:

Inquiries about Guardianship, the DD Waiver/Medicaid, and housing are common themes in the phone calls coming in. The most common intakes have been with individuals or parents needing help with new waiver allocations. We anticipate helping with more waiver allocation questions than any other this coming year.

The Arc's Sexual Assault Services

Assisted new survivors	5
Active cases with intakes	4
Needing general referrals and resources	65

Personal choices are always respected and kept private

Public Policy followed the hottest policy issues over the past year. The elimination of the DD Waiver Waitlist is the single largest accomplishment by the State in securing the rights of people with disabilities and their access to necessary services and supports.

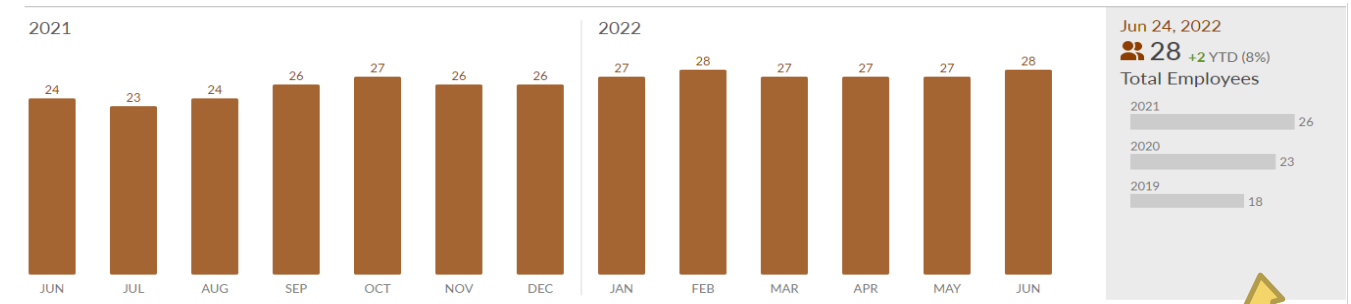


HOW DOES Supported Decision Making WORK?

- 1 choose**
 The individual decides who will be involved in supporting them. The supporters must also agree to be involved.
 
- 2 discuss**
 The individual and supporters talk about how the individual will be supported, which can include finance, healthcare, employment, and others. The individual can choose to have support in some areas but not others.
 
- 3 make a plan**
 The individual and supporters create a document that outlines how the individual will be supported. This is the Supported Decision Making agreement.
 
- 4 sign**
 The individual and supporters sign the Supported Decision Making agreement. The agreement can be revised if necessary in the future. Everyone receives a copy of the agreement.
 

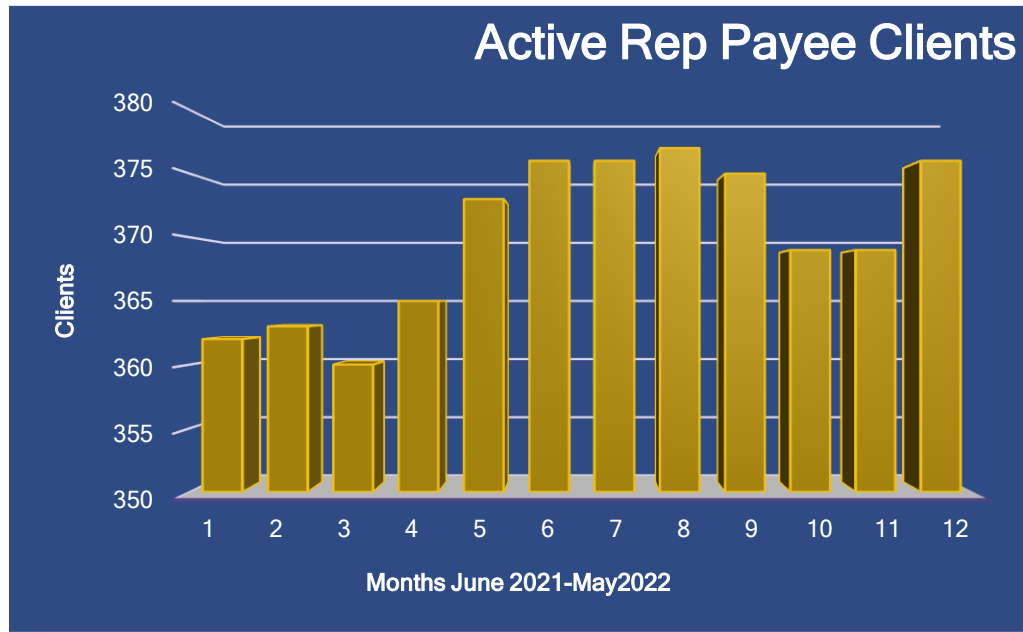
How are decisions made today?

Another developing policy issue is the establishment of alternatives to traditional guardianship. The Public Policy Officer was assigned to the Task Force reviewing Supported Decision Making, and the CEO was appointed to the WINGS group assessing guardianship reform.

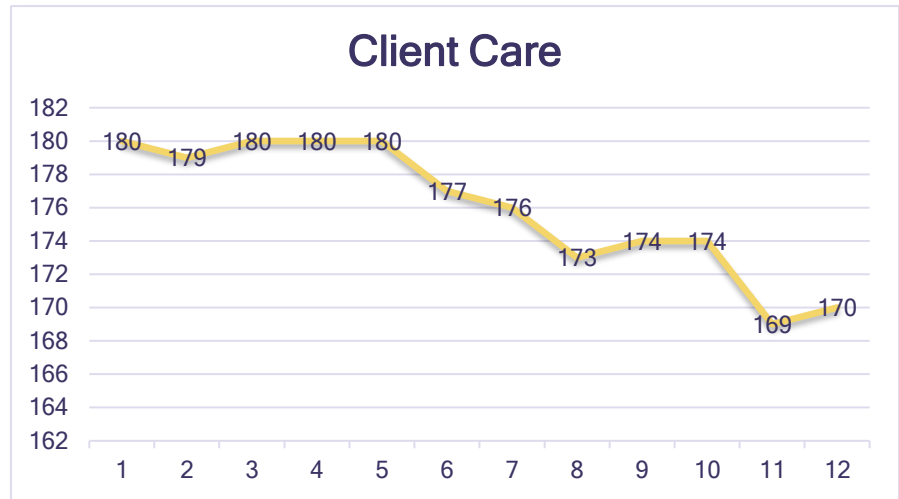


The Arc NM staffing levels have remained the same over the year but have grown since 2019.

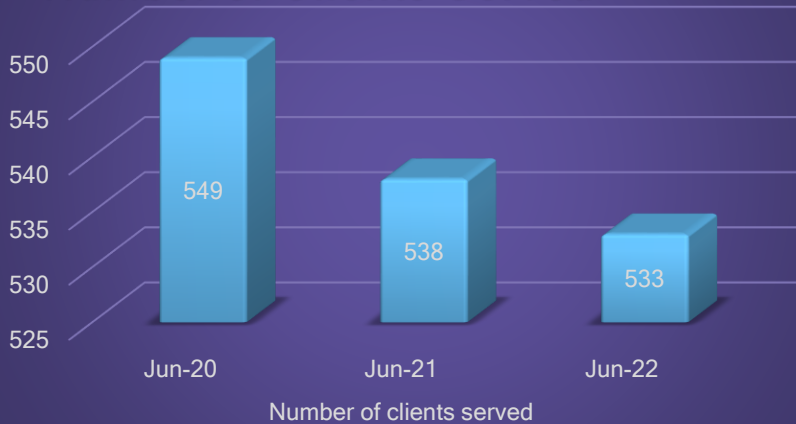
The Arc of New Mexico Representative Payee Program has continued to slowly expand while adjusting to the "New Norm" of life in general. The Arc of New Mexico Rep Payee Program is now overseeing 110 STABLE accounts.



The Guardianship program continues to remain steady with plans to assess additional services. Over the last two years the program has experienced many pandemic-related challenges. The program maintained an average of 176 clients despite barriers to visitation, deaths, and transfers.



Number of Clients Served



POOLED TRUST SERVICES:

2021 lost clients to death. More trusts opened in 2020 than in 2019, and less since that date.

Looking Ahead

We are in a time of Action! After surviving the last few years, there hasn't been a better time for The Arc of New Mexico to shout out how important rights for people with IDD are, and to share information about our vision & mission as a social justice organization. The Arc NM is moving fast with gathering information from the community to develop a new strategic plan that we hope will take our support to all regions around the state. The community will see us out and about the state again, sharing our programming with folks, and listening to what they have to say and what they need. We intend to focus on outreach and listening sessions, appearing and scheduling everywhere we can to ensure people know we are here - strong and ready to help.

The most important element in outreach is our people. We are so proud how employees are participating in ways we never expected, and how we all collectively understand the importance of collaboration and communication with the public. This is a necessary element for us to fulfill our mission in supporting people with intellectual and developmental disabilities. The actions and activities in this report, and the goals for the next few years will reflect this action!

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.

*"You can't plan to be successful
unless you have parents involved."*

- John W. Foley

Statement of Financial Position

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

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 409,193	\$ 629,640
Grants and accounts receivable, net	208,977	199,845
Prepays and other assets	<u>1,356</u>	<u>6,270</u>
Total current assets	619,526	835,755
Investments	2,899,672	2,303,123
Investments held for permanent endowment	191,559	191,559
Property, furniture and equipment, net	<u>2,755,136</u>	<u>2,948,058</u>
Total assets	<u>\$ 6,465,893</u>	<u>\$ 6,278,495</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 1,232	\$ 40,763
Accrued expenses	46,142	49,712
Current portion of note payable	<u>75,760</u>	<u>72,413</u>
Total current liabilities	123,134	162,888
Note payable, net of current portion	<u>1,871,526</u>	<u>1,947,960</u>
Total liabilities	<u>1,994,660</u>	<u>2,110,848</u>
Net assets without donor restrictions:		
Undesignated	3,253,639	3,030,591
Board designated	<u>456,331</u>	<u>443,729</u>
Total net assets without donor restrictions	<u>3,709,970</u>	<u>3,474,320</u>
Net assets with donor restrictions:		
Purpose restricted	569,704	501,768
Endowment fund	<u>191,559</u>	<u>191,559</u>
Total net assets with donor restrictions	<u>761,263</u>	<u>693,327</u>
Total net assets	<u>4,471,233</u>	<u>4,167,647</u>
Total liabilities and net assets	<u>\$ 6,465,893</u>	<u>\$ 6,278,495</u>

INDEPENDENT AUDITOR'S REPORT

Auditor's Report

Opinion

We have audited the accompanying financial statements of The Arc of New Mexico and Affiliates (the "Arc") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Arc as of December 31, 2021, 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, 2021

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,

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from grants and contracts	\$ 1,026,041	\$ 1,228,558
Cash received from client services	563,057	516,340
Cash received from contributions	150,123	219,493
Cash received from others	-	500
Cash received from special events	15,029	13,004
Cash received from rental income	73,236	162,138
Cash received from refundable advances - Paycheck Protection Program	-	225,415
Cash paid to employees and suppliers	(1,989,534)	(1,503,648)
Interest and dividends received	65,066	44,218
Net cash provided by operating activities	<u>(96,982)</u>	<u>906,018</u>
Cash flows from investing activities		
Proceeds from sale of investments	792,600	2,208,750
Proceeds from sale of office building	445,852	-
Purchases of equipment	(96,016)	-
Purchase of office building	-	(687,500)
Purchase of investments	(1,192,814)	(1,935,460)
Net cash used by investing activities	<u>(50,378)</u>	<u>(414,210)</u>
Cash flows from financing activities		
Payments on note payable	(73,087)	(42,127)
Net cash used by financing activities	<u>(73,087)</u>	<u>(42,127)</u>
Net increase (decrease) in cash and cash equivalents	(220,447)	449,681
Cash and cash equivalents, beginning of year	629,640	179,959
Cash and cash equivalents, end of year	<u>\$ 409,193</u>	<u>\$ 629,640</u>
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	<u>\$ 303,586</u>	<u>\$ 1,075,857</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	84,339	35,197
Gain from sale of asset	(241,253)	-
Realized and unrealized gain on investments	(196,335)	(223,600)
Changes in assets and liabilities		
Grants and accounts receivable	(9,132)	(31,244)
Prepays and other assets	4,914	11,344
Accounts payable	(39,531)	25,822
Accrued expenses	(3,570)	12,642
Total adjustments	<u>(400,568)</u>	<u>(169,839)</u>
Net cash provided by operating activities	<u>\$ (96,982)</u>	<u>\$ 906,018</u>

TO OUR DONORS:

Thank you for your generosity

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