



ANNUAL REPORT



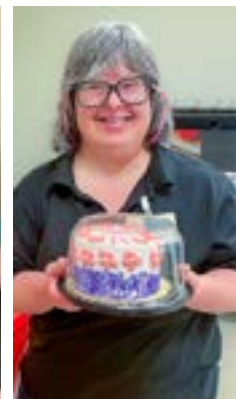
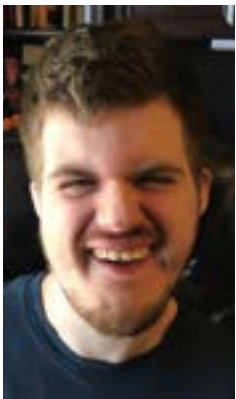
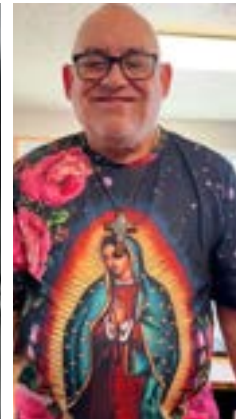


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ARCA

Opening Doors.

ARCA BOARD OF DIRECTORS

FISCAL YEAR 2025

Jennifer Lehman Chair	Toni Benton, MD
Cindy Faris Vice Chair	Eve Rossignol
Pat Kominiak Secretary	Ron O'Dowd
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Mandy Funchess	Deanna Mielke
Rudy Miera	John Phillips, MD
	David Mork

ARCA LEADERSHIP TEAM

FISCAL YEAR 2025

Michelle Harmon
President & CEO

Jennifer Maldonado Greenwood
ARCA Foundation Executive Director /
Chief Development Officer

Warren Hayslip
Chief Financial Officer

Doreen Salazar
Administrative Operations Director

Melissa Wright
Director of Service Operations

Karen Hughes
Director of Human Resources

LETTER FROM THE CEO



MICHELLE HARMON

Chief Executive Officer & President

Dear Friends and Supporters,

As we close Fiscal Year 2025, I am deeply moved by the strength of the community that surrounds ARCA. Every day, I see the tangible difference your generosity and belief in our mission make for the people we serve. For nearly 70 years, ARCA has been opening doors for people with intellectual, developmental, and cognitive disabilities. These open doors lead to meaningful employment, safe and inclusive housing, vibrant participation in community life, and a lifetime of individualized support that honors each person's unique goals, talents, and dreams.

This past year has been one of both growth and resilience. Together, we have faced challenges, celebrated victories, and taken steps toward a future where every person has the resources and respect they deserve. Because of your partnership:

- We provided personalized services to hundreds of individuals, ensuring their dignity, independence, and aspirations remain central to every decision we make.
- Our employment programs connected people to jobs that not only provide income but also foster confidence, skill development, and meaningful community connections.
- We improved our accessible housing options, reaffirming our belief that everyone deserves a safe, welcoming place to call home.
- Our health and wellness initiatives continued to promote self-advocacy, daily living skills, and joyful engagement with life.

Beyond these achievements, FY25 brought special milestones. We launched new partnerships across the community, laying the groundwork for programs and opportunities that will strengthen our services for years to come. These successes are not the work of one organization alone; they are the shared victories of a network of donors, volunteers, families, staff, and advocates who all believe in the power of inclusion.

Looking ahead, our vision remains clear. We will continue to innovate, adapt, and advocate to ensure that every person we serve is met with opportunities, not obstacles. We will deepen our community partnerships, seek out creative solutions to housing and employment challenges, and keep the voices and choices of the people we support at the center of all we do.

On behalf of our board, staff, and — most importantly — the individuals and families we serve, thank you for your unwavering support. Your generosity fuels our work, your belief inspires our vision, and your partnership transforms lives every single day. Together, we will open even more doors in the year ahead.

With gratitude,
Michelle Harmon



ARCA
Opening Doors.

ORGANIZATION OVERVIEW

VISION

Be the role model of excellence in lifelong services for individuals with intellectual, developmental and cognitive disabilities.

MISSION

Working together to open doors for individuals with intellectual, developmental and cognitive disabilities to be valued members of the community.

FINANCIAL HIGHLIGHTS



We are very pleased to report that the financial results for ARCA were very strong in fiscal year 2025 (FY25). With total revenue at \$40.2 million and operating expenses at \$37.1 million, ARCA reported a net surplus of \$3.2 million. Excluding non-operational and extraordinary revenue (of \$1.2 million), ARCA's operations generated \$2.0 million in core earnings. This is evidence of significant progress in our strategic efforts to achieve long-term financial sustainability. In terms of our balance sheet, ARCA also reported excellent results—with cash & cash equivalents at \$12.5 million, a historically high level. ARCA now has limited long-term debt exposure—at only \$1.1 million. It is gratifying to note that these year-end results are a continuation of the recent trends of improved financial performance by ARCA. Looking to the next 12 months, we expect continued strong performance—with a budgeted net surplus of \$1.6 million. We will continue our significant capital spending this fiscal year—budgeted at \$1.7 million—and we plan to complete a long-term capital needs assessment to help us forecast capital spending over the next 5 years.



WARREN HAYSLIP
Chief Financial Officer

We are very pleased with the strong financial results for the short term. Looking to the longer-term future, however, we are monitoring, with some concern, the potential of reduced Medicaid revenues that may result from federal funding cuts recently legislated in Washington, DC. This is an essential factor in our long-range financial planning, as Medicaid funding currently provides about 90% of ARCA's total revenue. Nevertheless, if Medicaid revenue reductions do indeed materialize, we are confident that ARCA—in tandem with the ARCA Foundation—will make the necessary adjustments to continue our mission of serving the needs of persons with intellectual, developmental, and cognitive disabilities in the state of New Mexico.

Sincerely,
Warren Hayslip



Revenue

\$40M



Expenses

\$37M



Liabilities & Net Assets

\$29M

FINANCIAL STATEMENTS



ARCA STATEMENT OF ACTIVITY*

Revenues		Expenses	
ICF/IID	9,293,103	Salaries	20,341,282
Waiver	14,739,267	Taxes & Benefits	4,183,152
Contracts From States	1,437,081	Persons Served	6,961,769
Private Contracts	11,715,767	Facilities	2,693,899
Fees & Rents	1,376,946	Transportation	761,250
Contributions & Grants	310,034	Professional & Other Fees	1,152,607
Other Revenue	877,421	Other Expenses	604,014
Contracts & Sales	388,892	Office	280,161
Related Services	82,787	Public Relations	76,148
Total Revenues	40,221,198	Total Operating Expenses	37,054,273
	Change in Net Assets	3,166,925	

ARCA STATEMENT OF POSITION*

Assets		Liabilities	
Cash & Cash Equivalents	12,483,454	Accounts Payable	994,916
Accounts Receivable	5,809,085	Accrued Expenses	1,544,379
Prepaid Expenses	215,415	Deferred Revenue	147,927
Current Assets	18,507,954	Short-Term Liabilities	2,687,223
Investments	497,144	Mortgages & Line of Credit	1,079,094
Fixed Assets, Net	10,258,347	Cash Held for Persons Served	194,031
Cash Held for Persons Served	194,031	Other Liabilities	9,496
Long-Term Assets	10,949,522	Long-Term Liabilities	1,282,622
Total Assets	29,457,476	Total Liabilities	3,969,845
	Net Assets	25,487,631	
	Total Liabilities and Net Assets	29,457,476	

FUNCTIONAL EXPENSES*

Program	31,882,389	86.0%
Fundraising	38,727	0.1%
Management & General	5,133,158	13.9%
Total Operating Expenses	37,054,273	100%

*These financial statements are unaudited.

CLIENT SUCCESS STORIES



MEET JUAN

Juan starts each day early, ready to stay active and engaged. He enjoys working, volunteering, and spending time in the community, whether biking, dining out, visiting museums, or relaxing with friends. He also enjoys attending concerts, watching car races, solving word searches, creating arts and crafts, and spending time with animals. With support from ARCA's Individual Customized Community Supports, Community Integrated Employment, and Family-Based Services, Juan stays active, independent, and connected to his community. At ARCA, we are proud to support Juan as he continues to thrive both at work and in his adventures.



604

Total Number of People Served in FY 2025

MEET JENALYNN

Jenalyn balances a busy airport career with a life full of joy and connection. Outside of work, she enjoys relaxing with her favorite TV shows, tackling word searches, and cooking quick meals. Her weeks are filled with activities she loves, from movie nights and coffee runs to shopping trips and swimming. With support from ARCA's Customized In-Home Supports, Jenalyn stays active, independent, and connected to her community.

At ARCA, we are proud to support Jenalyn as she continues to thrive both at work and in her adventures.



93%

Residential Client Satisfaction Rate in FY 2025

EMPLOYEE SPOTLIGHT



Human Resources Award Recipient for Staff Retention

Alex Vargas began his ARCA journey six years ago as a Direct Care Professional and now serves as Quality Operations Manager for Supported Living. His leadership has been key to improving staff retention, earning him ARCA's Fiscal Year 2025 Human Resources Award. Alex creates a supportive environment where staff feel comfortable asking questions, trust is built through active listening, and accountability is balanced by encouraging employees to take the necessary time off. His consistent presence at home locations ensures staff feel valued and supported every day. We are proud to recognize Alex for his leadership and dedication to both his teams and the people we serve.

ALEX VARGAS

Quality Operations Manager,
ARCA's Supported Living Division

Total Number of Employees:

520

FY 2025 Turnover Rate:

3.7%

Over the past year, ARCA's Human Resources department has been passionately dedicated to strengthening our commitment to train, nurture, recognize, and retain the incredible team that makes our organization thrive.

At the start of the year, we focused on enhancing recruiting and onboarding. By streamlining the background check process and reintroducing a comprehensive two-day new-hire orientation, we welcomed top talent into the ARCA family. We provided a solid foundation for success and connection from day one.

Our efforts did not stop there. To foster motivation and belonging, we launched initiatives to boost morale and engagement. Through employee and peer recognition programs, semi-annual award ceremonies, and personalized acknowledgments, we celebrated the everyday heroes who bring ARCA's mission to life. Recognizing that strong leadership is key to retention, we committed to empowering supervisors through policy training and ongoing support to help them become effective leaders—because great people build great teams.

Employee health and wellness remain a top priority. As a two-time gold-level winner of the CIGNA Healthy Workplaces Award, Human Resources maintains robust benefits and, in partnership with our Wellness Team and IT Department, hosts health and wellness events year-round. We also introduced an electronic award system for employees participating in their wellness. Our largest and most impactful project, launched late in the fiscal year, is the implementation of a new HRIS system. This tool will improve communication and provide easy access to resources for all ARCA employees throughout their employment.

Together, these steps highlight our dedication to creating an environment where every ARCA team member feels valued, supported, and inspired to contribute. We are proud of the progress we have made and energized by the possibilities ahead.



KAREN HUGHES

Director of Human Resources

Sincerely,
Karen Hughes

FY 2025 Attrition Rate:

4.0%

FY 2025 Vacancy Rate:

11.8%

FUTURE OUTLOOK



FUTURE PLAN

As ARCA moves forward into the future, we are committed to advancing our mission in the field of intellectual, developmental, and cognitive disabilities through strategic leadership, advocacy, and operational excellence. Our future-focused plan outlines key priorities that will guide our organization in adapting to industry changes and delivering impactful services.

Strategic Priorities

- 1. Expanding Strategic Partnerships:** ARCA will actively pursue new alliances to broaden the reach and effectiveness of our specialized services. We plan to strengthen collaborations with IDD providers, regulatory bodies, behavioral health and medical organizations, educational institutions, and community-based resources. These partnerships will be essential in meeting compliance standards, improving care quality, and fostering integrated service delivery.
- 2. Enhancing Leadership Capacity:** To ensure long-term organizational resilience, ARCA is investing in leadership development and succession planning. We will offer professional certification opportunities and leverage both internal talent and external expertise to cultivate future leaders in the disability services sector.
- 3. Addressing Workforce Sustainability:** In response to ongoing workforce challenges, ARCA is implementing targeted training and certification programs for Direct Support Providers. These initiatives will create clear career pathways and support staff retention. Compensation structures will be regularly reviewed and adjusted to remain competitive and aligned with market trends.
- 4. Strengthening Financial Sustainability:** ARCA will focus on maintaining profitable margins across all programs. We will proactively manage expenses, diversify revenue streams, and pursue grant opportunities to stabilize funding. Strategic scaling of successful programs and expansion into new service areas will be key to our financial growth.

ARCA's strategic plan is designed to position the organization for sustainable growth and leadership in the disability services sector. By focusing on strategic partnerships, workforce development, financial resilience, and technological innovation, we will continue to deliver high-quality, person-centered care while adapting to the dynamic landscape of our field.

INNOVATION AND TECHNOLOGY ROADMAP

Innovation will be a cornerstone of ARCA's future growth, driving efficiency, transparency, and improved outcomes.

1. Technology Integration: ARCA continues to invest in data systems that support evidence-based decision-making. Our approach will be shaped by evolving regulatory requirements for transparency and outcome measurement. Key initiatives include:

- Implementing a comprehensive Human Resources Information System (HRIS) to streamline operations and enhance employee engagement.
- Developing internal subject matter experts to optimize system usage and data analysis.

2. Leveraging Artificial Intelligence: ARCA will integrate AI tools to support workforce planning and predictive analytics. These technologies will help us anticipate service needs, improve resource allocation, and enhance overall performance.



CONNECT WITH US

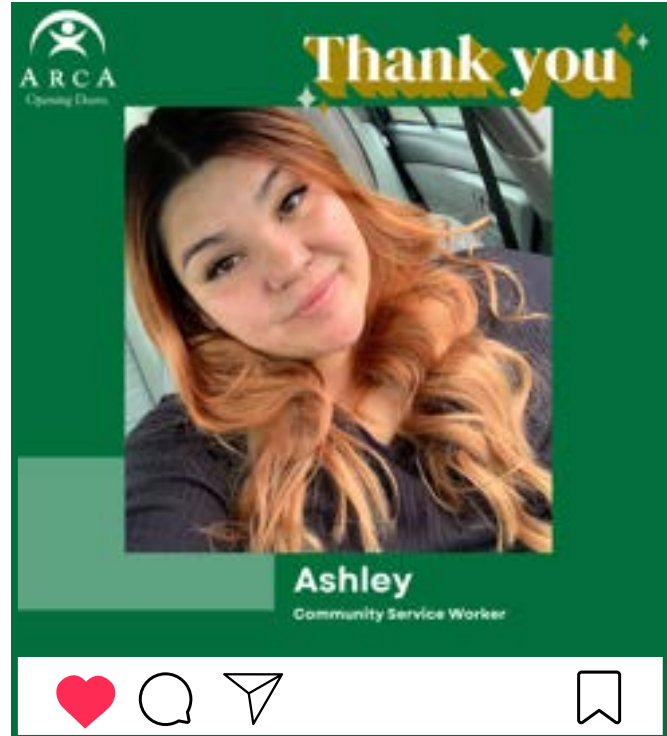
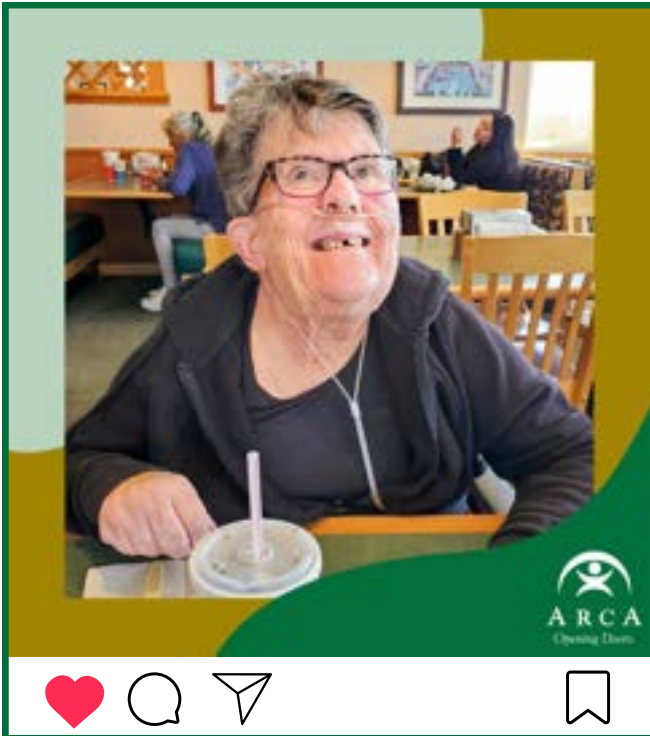


ARCA
Opening Doors.

Follow along as we celebrate the people, places, and everyday moments that make ARCA special.



@ARCAOpeningDoors



**Celebrate inclusion with us,
online and in the community.**

Find us on Instagram and Facebook:

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Follow us on LinkedIn:

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Visit our Website:

www.ARCAOpeningDoors.org



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