

**UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
(A Nonprofit Corporation)**

FINANCIAL STATEMENTS

December 31, 2009 and 2008

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
FINANCIAL STATEMENTS
December 31, 2009 and 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
United Way of Northern New Mexico Serving Los Alamos & Rio Arriba Counties
Los Alamos, New Mexico

We have audited the accompanying statements of financial position of the United Way of Northern New Mexico Serving Los Alamos & Rio Arriba Counties as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the United Way of Northern New Mexico Serving Los Alamos & Rio Arriba Counties' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Northern New Mexico Serving Los Alamos & Rio Arriba Counties as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



June 26, 2010

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARriba COUNTIES
STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Current Assets		
Cash and savings deposits	\$ 1,015,441	\$ 1,175,699
Estimated pledges receivable, net of allowance for uncollectibles, <i>notes 1 and 3</i>	1,831,698	1,739,194
Investments, <i>note 2</i>	<u>44,960</u>	<u>34,843</u>
	<u>2,892,099</u>	<u>2,949,736</u>
 Property and Equipment, <i>notes 1 and 4</i>		
Furniture, Fixtures and Equipment	14,663	14,514
Less: Accumulated Depreciation	<u>(14,529)</u>	<u>(13,611)</u>
Net Property and Equipment	<u>134</u>	<u>903</u>
 Total Assets	 <u>\$ 2,892,233</u>	 <u>\$ 2,950,639</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Donor designations payable, <i>note 1</i>	\$ 2,201,452	\$ 2,329,319
Accrued payroll and related liabilities	<u>9,165</u>	<u>10,042</u>
Total Liabilities	<u>2,210,617</u>	<u>2,339,361</u>
 Net Assets, <i>note 1</i>		
Unrestricted		
Unappropriated	417,254	359,485
Board designated	<u>264,362</u>	<u>251,793</u>
Total Net Assets	<u>681,616</u>	<u>611,278</u>
 Total Liabilities and Net Assets	 <u>\$ 2,892,233</u>	 <u>\$ 2,950,639</u>

The Accompanying Notes are an Integral Part of
These Financial Statements

**UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES**

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2009 with Comparative

Totals for the Year Ended December 31, 2008

	2009			2008
	Unrestricted		Total	Total
	Undesignated	Board Designated		
Revenues and other support				
Contributions, <i>note 1</i>	\$ 2,302,634	\$ -	\$ 2,302,634	\$ 1,927,702
Interest and dividend income	11,623	-	11,623	29,850
In kind contributions, <i>note 5</i>	15,510	-	15,510	32,676
Unrealized gains (losses) on investments	8,925	-	8,925	(21,058)
Total revenues and other support	<u>2,338,692</u>	<u>-</u>	<u>2,338,692</u>	<u>1,969,170</u>
Expenses and losses				
<i>Program services</i>				
Grants, <i>note 1</i>	95,906	-	95,906	110,200
Other Program Services	1,875,007	-	1,875,007	1,404,826
	<u>1,970,913</u>	<u>-</u>	<u>1,970,913</u>	<u>1,515,026</u>
<i>Supporting services</i>				
General & Administrative	129,535	-	129,535	132,136
Fundraising	107,709	-	107,709	66,583
Total Functional Expenses	<u>2,208,156</u>	<u>-</u>	<u>2,208,156</u>	<u>1,713,745</u>
Bad debt expense, net, <i>notes 1 and 3</i>	44,688	-	44,688	36,274
In-kind expenses, <i>note 5</i>	15,510	-	15,510	32,676
Total expenses and losses	<u>2,268,354</u>	<u>-</u>	<u>2,268,354</u>	<u>1,782,695</u>
Change in net assets	70,338	-	70,338	186,475
Net assets, beginning of year	359,485	251,793	611,278	424,803
Board transfers	<u>(12,569)</u>	<u>12,569</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 417,254</u>	<u>\$ 264,362</u>	<u>\$ 681,616</u>	<u>\$ 611,278</u>

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These Financial Statements

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 70,338	\$ 186,475
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Depreciation expense	918	1,124
Net unrealized (gains)/losses on investments	(8,925)	21,058
Change in estimated pledges receivable	(92,504)	(539,722)
Change in donor designations payable	(127,867)	415,590
Change in accrued payroll and related liabilities	(877)	1,030
Net cash provided by operating activities	<u>(158,918)</u>	<u>85,556</u>
Cash Flows from Investing Activities		
Purchase/redemption of investments	(1,193)	553,761
Purchases of property and equipment	(149)	-
Net cash provided (used) by investing activities	<u>(1,342)</u>	<u>553,761</u>
Net change in cash	(160,260)	639,317
Cash, beginning of year	<u>1,175,701</u>	<u>536,384</u>
Cash, end of year	<u>\$ 1,015,441</u>	<u>\$ 1,175,701</u>

The Accompanying Notes Are an Integral Part of
These Financial Statements

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

(1) Purpose of Organization and Summary of Significant Accounting Policies

The United Way of Northern New Mexico Serving Los Alamos & Rio Arriba Counties ("United Way") is a New Mexico not-for-profit corporation organized to solicit and receive contributions from the public. These funds are allocated and distributed to member agencies and grantees, which in turn serve the community through charitable, educational, health, welfare, and recreational activities. The organization is subject to the general economic factors that affect the area. It is exempt from income tax under Section 501(c)(3) of the Internal Revenue code.

Basis of Accounting

The financial statements of The United Way have been prepared on the accrual basis of accounting, and accordingly, reflect all pledges receivable and accounts payable as of December 31, 2009 and 2008.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect reported amounts and related disclosures. Actual results could differ from those estimates.

Basis of Financial Statement Presentation

The accompanying financial statements are presented in accordance with the accounting and reporting standards required by Statements of Financial Accounting Standards No. 116 and 117. Statement No. 117 requires three classes of net assets replace the "fund balances" formerly reported in the financial statements; the three classes of net assets are as follows:

Unrestricted Net Assets - represents those assets that the United Way may use at its discretion.

Temporarily Restricted Net Assets - represent net assets subject to donor-imposed stipulations that can be fulfilled by actions of the United Way pursuant to those stipulations or that expire by the passage of time.

Permanently Restricted Net Assets - results from donor-imposed stipulations that neither expire by the passage of time or can be fulfilled or otherwise removed by actions of United Way.

Contributed Services

Unpaid volunteers have made contributions of their time to develop United Way's programs, principally in fundraising and programs. In accordance with SFAS 116, the value of this contributed time is not reflected in these financial statements.

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

(1) Purpose of Organization and Summary of Significant Accounting Policies (cont.)

Revenue Recognition

Annual campaigns are conducted each year to carry out United Way's mission. Pledges from a campaign continue to be received into the following spring and summer. Pledges that are donor designated for payment to specific agencies or other third parties are accounted for as revenue in the period received or earned, and expenses in the period paid or accrued. All pledges and other contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same period in which the contribution is received, United Way reports the support as unrestricted.

Allowance for Uncollectible Accounts

The United Way uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of the history of collectibles of promises made. As of December 31, 2009 and 2008, 4.50% of the budgeted annual campaign contributions have been determined to accurately represent uncollectible accounts.

Distributed Funds

Amounts to be distributed are usually determined after the annual campaign results are substantially known. Grants made by United Way to affiliated and other agencies are recognized as expenses and liabilities when United Way approves the award.

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Functional Allocation of Expenses

United Way is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporary restricted net assets, and permanently restricted net assets. The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Certain costs have been allocated among the programs and supporting services benefited.

Property and Equipment

Property and equipment is recorded either at cost or, if donated, at fair-market value on the date of the contribution. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets of three to five years.

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

(1) **Purpose of Organization and Summary of Significant Accounting Policies (cont.)**

Income Taxes

The United Way is a nonprofit organization that has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Cash and Cash Equivalents

Cash includes money market funds as well as interest and dividend producing instruments with maturities at the date of purchase of three months or less.

(2) **Investments**

A summary of investments for cash designated by the Board and the investments in securities at December 31, 2009 and 2008 consist of the following:

	2009	
	Cost	Market
Cash and money market funds	\$ 8,292	\$ 8,292
Mutual funds	42,396	35,141
Equity securities	688	1,527
<i>Total:</i>	\$ 51,376	\$ 44,960
	2008	
	Cost	Market
Cash and money market funds	\$ 8,596	\$ 8,596
Mutual funds	33,847	21,650
Equity securities	7,868	4,597
<i>Total:</i>	\$ 50,311	\$ 34,843

For the years ended December 31, 2009 and 2008, the Board designated \$264,362 and \$251,793, respectively.

(3) **Unconditional Pledges to Give and Allowance for Doubtful Accounts**

Unconditional pledges to give as of December 31, 2009 and 2008, are summarized as follows:

	2009	2008
Pledges receivable	\$ 1,913,211	\$ 1,794,751
Less: Allowance for uncollectible pledges	(81,513)	(55,557)
Net unconditional pledge receivables	\$ 1,831,698	\$ 1,739,194

For the years ended December 31, 2009 and 2008, bad debts expense recognized in these financial statements is \$44,688 and \$36,274.

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
NOTES TO FINANCIAL STATEMENTS
December 31, 2009

(4) Property and Equipment

The following is a summary of the United Way's property and equipment, and accumulated depreciation as of December 31, 2009 and 2008.

	2009	2008
Office	\$ 12,909	\$ 12,760
Software	1,754	1,754
	14,663	14,514
Less: Accum. dep and amortization	(14,529)	(13,611)
Property and equipment, net	\$ 134	\$ 903

(5) In-Kind Contributions

In-kind contributions are recognized as contributions in accordance with SFAS 116. Contributions are valued at fair market value in the period received. As of December 31, 2009 and 2008, contributions of \$15,510 and \$32,676 respectively, have been recognized in the accompanying financial statements.

(6) Leases

The United Way leases its office space from Los Alamos National Bank under a lease that expires on December 31, 2010. For the years ended 2009 and 2008, the value of the lease was contributed to United Way by the bank. As of December 31, 2009 and 2008, the value of all leases recognized in the financial statements are \$15,510 and \$15,510, respectively.

Years Ending:	2010	\$ 15,510
	2011	-
	2012	-
	Thereafter	-
		\$ 15,510

(7) Deferred Annuity Plan

Beginning in 2007, the United Way began contributing to employee deferred annuity plans on a percentage of compensation basis. Employees contribute to the plan on a voluntary basis through payroll withholding. As of December 31, 2009 and 2008, employer contributions of \$7,250 and \$7,250 respectively, have been recognized in the accompanying financial statements.

(8) Comparative Totals

The financial statements and related footnotes include certain prior year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2008 from which the summarized financial information was derived.