

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

FINANCIAL STATEMENTS

For the Years Ended December 31, 2018 and 2017

With Independent Auditor's Report Thereon

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
FINANCIAL STATEMENTS
December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of United Way of Northern New Mexico Serving Los Alamos & Rio Arriba Counties (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2018 and 2017, 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.

Susain & Greco, LLC

Santa Fe, New Mexico

November 7, 2019

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2018 and 2017

ASSETS

	2018	2017
Current Assets		
Cash and cash equivalents, <i>note 2</i>	\$ 106,604	\$ 176,525
Estimated pledges receivable, net of allowance for uncollectibles, <i>notes 2 and 5</i>	277,715	369,646
Investments, <i>note 4</i>	432,214	453,379
Total current assets	816,533	999,550
 Property and Equipment, <i>notes 2 and 6</i>		
Furniture, fixtures and equipment	18,591	17,311
Less: Accumulated depreciation	(17,396)	(17,182)
Net property and equipment	1,195	129
 Total Assets	\$ 817,728	\$ 999,679

LIABILITIES AND NET ASSETS

Current Liabilities		
Deferred pledge campaign revenue, <i>note 2</i>	\$ 453,225	\$ 518,651
Accrued payroll and related liabilities	4,263	10,649
Total Liabilities	457,488	529,300
 Net Assets, <i>note 2</i>		
Without donor restrictions,		
Undesignated	60,240	170,379
Designated by board for operating reserves, <i>note 10</i>	300,000	300,000
Total Net Assets	360,240	470,379
 Total Liabilities and Net Assets	\$ 817,728	\$ 999,679

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, 2018

	2018		
	Without Donor Restrictions		Total
	Undesignated	Board Designated	
<u>Revenues and other support</u>			
Contributions, <i>note 2</i>	\$ 783,701	\$ -	\$ 783,701
Cornerstone program funding	75,750	-	75,750
In-kind contributions, <i>note 7</i>	15,000	-	15,000
Dividend income	10,610	-	10,610
Interest income	1,232	-	1,232
Investment gains/(loss), net of fees	<u>(32,746)</u>	-	<u>(32,746)</u>
Total revenues and other support	<u>853,547</u>	<u>-</u>	<u>853,547</u>
<u>Expenses and losses</u>			
Program services	813,454	-	813,454
General & Administrative	63,485	-	63,485
Fundraising	<u>86,746</u>	-	<u>86,746</u>
Total expenses	<u>963,686</u>	<u>-</u>	<u>963,686</u>
Change in net assets	(110,139)	-	(110,139)
Net assets, beginning of year	<u>170,379</u>	<u>300,000</u>	<u>470,379</u>
Net assets, end of year	<u>\$ 60,240</u>	<u>\$ 300,000</u>	<u>\$ 360,240</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, 2017

	2017		
	Without Donor Restrictions		Total
	Undesignated	Board Designated	
<u>Revenues and other support</u>			
Contributions, <i>note 2</i>	\$ 681,476	\$ -	\$ 681,476
Cornerstone program funding	276,000	-	276,000
In-kind contributions, <i>note 7</i>	15,000	-	15,000
Fundraising event income	25,243	-	25,243
Interest income	296	-	296
Dividend income	10,217	-	10,217
Unrealized gains/(loss), net of fees	28,047	-	28,047
Total revenues and other support	1,036,279	-	1,036,279
<u>Expenses and losses</u>			
Program services	763,273	-	763,273
General & Administrative	93,315	-	93,315
Fundraising	74,984	-	74,984
Total expenses	931,572	-	931,572
Change in net assets	104,707	-	104,707
Net assets, beginning of year	65,672	300,000	365,672
Net assets, end of year	\$ 170,379	\$ 300,000	\$ 470,379

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 FUNCTIONAL EXPENSES

For the Year Ended December 31, 2018

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Grants	\$ 613,578	\$ -	\$ -	\$ 613,578
Salaries and Wages	43,663	36,819	40,995	121,477
Employee Benefits	1,989	1,678	1,868	5,535
Contract labor	17,878	-	5,000	22,878
Bad Debts	60,557	-	-	60,557
Donor Designations	21,148	-	-	21,148
Programs: 100 Women	17,722	-	-	17,722
In-Kind Donation Exp - Rent	7,500	3,750	3,750	15,000
Community Outreach	10,403	150	1,297	11,850
Taxes - Payroll	4,176	3,521	3,920	11,617
Audit and Payroll Services	3,744	3,157	3,515	10,417
Dues - UWA	3,412	2,877	3,204	9,493
Website	-	2,013	5,341	7,354
Travel & Meals	1,813	2,340	2,713	6,866
Marketing Supplies	-	-	4,728	4,728
Training	1,200	1,999	229	3,428
Office Supplies	589	1,385	1,184	3,158
Advertising	2,104	-	1,014	3,118
Campaign Kickoff	-	-	3,040	3,040
Campaign Recognition	1,750	27	693	2,470
Insurance	-	2,432	-	2,432
Postage and Delivery	-	100	1,540	1,640
Special Events Expenses	-	-	1,179	1,179
Printing and Reproduction	-	-	958	958
Telephone	216	523	205	944
Other	12	500	373	885
Depreciation	-	214	-	214
Totals:	\$ 813,454	\$ 63,485	\$ 86,746	\$ 963,686

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 FUNCTIONAL EXPENSES

For the Year Ended December 31, 2017

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fund Raising</u>	<u>Total</u>
Grants	\$ 640,820	\$ -	\$ -	\$ 640,820
Salaries and Wages	33,045	55,781	39,451	128,277
Employee Benefits	1,653	2,790	1,974	6,417
Dues - UWA	7,852	13,255	9,374	30,481
Bad Debts	19,531	-	-	19,531
Programs: 100 Women	19,030	-	-	19,030
Donor Designations	17,556	-	-	17,556
In-Kind Donation Exp - Rent	5,000	5,000	5,000	15,000
Audit and Payroll Services	3,517	5,937	4,199	13,653
Taxes - Payroll	2,592	4,375	3,095	10,062
Printing and Reproduction	330	-	5,820	6,150
Website- Database	1,046	1,046	1,046	3,138
Campaign Recognition	2,734	-	-	2,734
Insurance	1,472	1,233	-	2,705
Postage and Delivery	474	57	1,977	2,508
Board Event	-	2,077	-	2,077
Travel & Meals	1,828	164	71	2,063
Special Events Expenses	-	-	1,548	1,548
Office Supplies	445	723	41	1,209
Advertising	1,093	-	39	1,132
Community Outreach	966	-	100	1,066
Programs: Stem & Youth Focus	1,000	-	-	1,000
Telephone	374	219	200	793
Campaign Kickoff	-	-	791	791
Training	718	-	-	718
Depreciation	-	475	-	475
Marketing Supplies	108	29	136	273
Bank Services Charges/Fees	89	142	8	239
Dues and Subscriptions	-	-	115	115
Licenses & Permits	-	11	-	11
Totals:	\$ 763,273	\$ 93,315	\$ 74,984	\$ 931,572

The Accompanying Notes Are an Integral Part of 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, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Change in net assets	\$ (110,139)	\$ 104,707
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Depreciation expense	214	475
Net (gains)/losses on investments	29,792	(28,047)
Decrease (increase) in pledges receivable	91,931	7,736
Increase (decrease) in deferred campaign revenue	(65,427)	(67,983)
Increase (decrease) in accrued payroll and related liabilities	(6,386)	5,530
Net cash provided by (used for) operating activities	(60,015)	22,418
 Cash Flows from Investing Activities		
Purchase of fixed assets	(1,280)	-
Purchase of securities	(197,861)	(7,808)
Sale of securities	189,235	-
Net cash used for investing activities	(9,906)	(7,808)
 Net change in cash	(69,921)	14,610
 Cash, beginning of year	176,525	161,915
 Cash, end of year	\$ 106,604	\$ 176,525
 Supplemental Disclosures:		
Interest paid	\$ -	\$ -
Taxes paid	\$ -	\$ -
 Non-cash contributions		
In-kind contributions	\$ 15,000	\$ 15,000
Donated Stock	\$ -	\$ 2,394

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 the Financial Statements

December 31, 2018 and 2017

(1) Organization and Nature of Activities

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.

(2) Summary of Significant Accounting Principles

Basis of Accounting

The financial statements of United Way have been prepared on the accrual basis of accounting, and accordingly, reflect all accounts receivable and accounts payable as of December 31, 2018, and 2017.

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.

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.

Basis of Financial Statement Presentation

In June 2009, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Codification (ASC or the Codification) as the source of authoritative accounting principles recognized by the FASB to be used by nongovernmental entities when preparing financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. The Codification reduces the GAAP hierarchy to two levels: authoritative and non-authoritative, with the Codification being authoritative GAAP.

Recent Accounting Guidance

During the year ended December 31, 2017 the Organization implemented ASU 2016-14, Financial Statements of Not-for-Profit Entities. Accordingly, the beginning balances of donor restricted net asset categories (temporarily and permanently restricted) have been retroactively adjusted to consolidate all donor restricted net assets into one classification, with donor restrictions. Additionally, unrestricted net assets are now categorized as net assets without donor restriction. The ASU requires additional disclosures in the areas of liquidity and endowment funds, and requires classification of investment expenses which are netted in investment return to include internal investment expenses.

Contributed Services

Unpaid volunteers have made contributions of their time to develop United Way's programs, principally in fundraising and programs. In accordance with the FASB ASC 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 the Financial Statements

December 31, 2018 and 2017

(2) Summary of Significant Accounting Principles, continued

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve held in the investment accounts.

Net Assets With Donor Restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Income Taxes

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.

Uncertain Tax Positions

Although exempt from federal income tax, United Way is subject to tax on income from any unrelated business activities. United Way does not conduct activities subject to such tax. On January 1, 2010, United Way adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles.

United Way's federal Return of Organization Exempt from Income Tax (Form 990) is subject to potential examination for a three year period following the date of filing. This would include returns for the years ending December 31, 2015 through December 31, 2017.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets, and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

In prior years, dues paid to the United Way National Affiliate (UWA) were categorized in the statement of functional expenses as a general and administrative expense. Management has determined the expense is more accurately classified as a percentage allocation among all categories, based on personnel expense allocations. As such, UWA dues have been reclassified for 2017, and both 2017 and 2018 expenses are allocated among categories in the functional expense allocation of these financial statements. Additionally, audit and payroll service expenses have also been reclassified among categories, based on personnel expense allocations.

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

Notes to the Financial Statements

December 31, 2018 and 2017

(2) Summary of Significant Accounting Principles, continued

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.

Revenue Recognition

Annual pledge campaigns are conducted each Fall to carry out United Way's mission. Contributions from a pledge campaign are generally collected during the following calendar year as voluntary withholding from payroll. For this reason the original pledge amounts are recorded as deferred revenue and pledge receivables. Collected contributions are booked against the deferred liability when received, and accounted for as revenue in the period received or earned. 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 net assets with donor restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, United Way reports such support as unrestricted funds.

Receivables - Promises to Give

United Way recognizes contributions from a donor when that contribution is given unconditionally. Conditional promises to give, or pledges, are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Receivables are generally collected in a period of less than one year. Uncollectible pledges for the prior year campaign are written off using the allowance method using a standard percentage of pledged contributions.

Property and Equipment

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

Allowance for Uncollectible Accounts

United Way uses the allowance method to determine uncollectible promises to give. The allowance is based on a rolling average of the last three fiscal years as well as management's analysis of the history of collectible pledge amounts. As of December 31, 2018, 15% of pledged campaign contributions are charged off to the allowance reserve.

Distributed Funds - Grants and Donor Designated Funds

Amounts to be distributed from the Community Action Fund (CAF) are generally determined after annual campaign results are substantially known. Grants and donor designated funds distributed by United Way to affiliated and other agencies are recognized as expenses and liabilities when United Way approves the award.

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

Notes to the Financial Statements

December 31, 2018 and 2017

(3) Liquidity and Availability

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	2018	2017
Cash and cash equivalents	\$ 106,604	\$ 176,525
Accounts receivable	277,715	369,646
Investments	432,214	453,379
	\$ 816,533	\$ 999,550

(4) Investments

Investments consisted of the following at December 31, 2018 and 2017:

	2018	
	Cost	Market
Cash and money market funds	\$ 20,662	\$ 20,662
Mutual funds & other assets	404,724	411,552
Total:	\$ 425,386	\$ 432,214
	2017	
	Cost	Market
Cash and money market funds	\$ 15,913	\$ 15,913
Mutual funds & other assets	406,470	437,466
Total:	\$ 422,383	\$ 453,379

Financial accounting standards define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy which prioritizes valuation techniques. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income, or cost approach are used to measure fair value.

The fair value hierarchy prioritizes valuation techniques used to measure fair value into three broad levels:

Level 1 assets use quoted prices in active markets for identical assets the United Way has the ability to access. United Way owns equities that are considered level 1 assets.

Level 2 assets use inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly. United Way does not have assets or liabilities classified as level 2 assets.

Level 3 assets have no observable values and rely on management's own assumptions that market participants would use in pricing the asset. United Way does not have assets or liabilities classified as level 3 assets.

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

Notes to the Financial Statements

December 31, 2018 and 2017

(5) Unconditional Pledges to Give and Allowance for Uncollectibles

Unconditional pledges to give as of December 31, 2018 and 2017, are summarized as follows:

	2018	2017
Pledges receivable - current	327,715	\$ 381,078
Less: Allowance for uncollectible pledges	(50,000)	(11,432)
Net unconditional pledge receivables	\$ 277,715	\$ 369,646

For the years ended December 31, 2018 and 2017, bad debt expense recognized in these financial statements is \$60,557 and \$19,531, respectively.

(6) Property and Equipment

The following is a summary of United Way's property and equipment, and accumulated depreciation as of December 31, 2018 and 2017.

	2018	2017
Office Equipment	18,591	\$ 17,311
Less: Accumulated depreciation	(17,396)	(17,182)
Property and equipment, net	\$ 1,195	\$ 129

For the years ended December 31, 2018 and 2017, depreciation recognized in these financial statements is \$214 and \$475

(7) In-Kind Contributions

In-kind contributions are recognized as contributions in accordance with the *ASC 958-605-55-23*. Contributions are valued at fair market value in the period received. As of December 31, 2018 and 2017, contributions of \$15,000 and \$15,000 respectively, have been recognized in the accompanying financial statements. See footnote 8.

(8) Leases

United Way leases office space from a financial institution under the terms of a month-to-month lease through fiscal year 2018. For the years ended 2018 and 2017, the value of the lease was contributed in-kind, to United Way by the financial institution.

(9) Deferred Annuity Plan

United Way contributes to employee deferred annuity plans on a percentage of compensation basis, 5% in the fiscal year just ended. Employees may contribute to the plan on a voluntary basis through payroll withholding. As of December 31, 2018 and 2017, employer contributions of \$5,535 and \$6,417 respectively, have been recognized in the accompanying financial statements.

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

Notes to the Financial Statements

December 31, 2018 and 2017

(10) Board Designated Reserve

A designated reserve is used by the Board for budgetary purposes, designating cash and unrestricted funds to be set aside for emergencies and unplanned events. Board reserved funds are to be calculated separate from operating funds, and are physically set aside as a portion of the organization's investment balance as of December 31, 2018. The reserve is calculated as a range with a minimum of three months and a maximum of six months of general and administrative operating expenses plus Community Action Fund Grants. The United Way of America guides its affiliates with diversified campaigns toward a smaller reserve, while advising toward a larger reserve in campaigns that are less diversified. The Board has set aside a reserve of approximately 4.0 months in its investment account for the 2018 fiscal year. Board Designated Reserve amounts recognized in these financial statements are \$300,000 for the years ended December 31, 2018 and 2017.

(11) Commitments

As an affiliate chapter of United Way of America, the United Way of Northern New Mexico pays annual membership fees equal to 1% of campaign receipts to its parent organization. Membership fees for the years ended December 31, 2018 and 2017, are \$9,493 and \$30,481, respectively.

(12) Concentrations

United Way generates a significant portion of its contribution income from employees of Los Alamos National Laboratory (LANL) which participates in a fund raising campaign on behalf of United Way. Internal infrastructure changes have resulted in employees being offered additional giving options which may negatively impact their contributions to United Way.

Los Alamos National Laboratory also participates in United Way's Cornerstone Program, providing funds that help cover administrative expenses. LANL contributions to this program have been declining and if participation were to terminate, United Way would be negatively and materially impacted.

United Way has cash depository accounts at financial institutions that may at times exceed FDIC insurance coverage limits of \$250,000, but has not experienced losses due to such concentrations. Management does not believe United Way is exposed to significant liquidity risk from the possibility of occasional overages.

(13) Subsequent Events

United Way recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the balance sheet date. Management has evaluated subsequent events through November 7, 2019, the date on which the financial statements were available to be issued.

Los Alamos National Laboratory has made a programmatic investment in United Way that has changed United Way's structure from a singular mission of grant making, to a dual mission of program delivery and grant making. At the same time, a reduction of LANL support for the cornerstone program has created an urgent need to diversify funding streams going forward. The financial impact of this change will be reflected in future financial statements.