



HINKLE + LANDERS

Certified Public Accountants + Business Consultants

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

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS**

**For the Year Ended December 31, 2020,
with Comparative Totals for 2019**

**UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
For the Year Ended December 31, 2020, with Comparative Totals for 2019**

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UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS AND RIO ARRIBA COUNTIES
OFFICIAL ROSTER
As of December 31, 2020, with Comparative Totals for 2019

Board of Trustees

Liddie Martinez	President
Carol Clark	Vice-President
John Sarrao	Treasurer
Michelle Harkey-Wilde	Secretary
Christopher Madrid	Executive Committee
Mike Lippiatt	Trustee
Steven Renfro	Trustee
Cynthia Rooney	Trustee
Todd Nelson	Trustee
Barb Ricci	Trustee
James Mountain	Leave of absence

Administrative Personnel

Cindy Padilla	Executive Director
Marie Marroquin	Finance Manager
Cristian Madrid	Collective Impact Coordinator

Independent Auditor's Report

The Board of Trustees of
United Way of Northern New Mexico
Santa Fe, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the United Way of Northern New Mexico (UWNNM)(a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, 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 UWNNM 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.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from UWNNM's December 31, 2019 financial statements. We have previously audited UWNNM's 2019 financial statements, and we issued an unmodified opinion on those audited financial statements in our report dated September 30, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Hinkle & Landers, P.C.

Hinkle + Landers, P.C.
Albuquerque, NM
July 20, 2021

UNITED WAY OF NORTHERN NEW MEXICO
STATEMENT OF FINANCIAL POSITION
As of December 31, 2020

	2020	2019
ASSETS		
Current Assets		
Cash, restricted cash & cash equivalents	\$ 286,508	173,876
Campaign pledges receivable, net	249,314	263,977
Investments, at fair value (partially restricted)	425,346	366,977
Total Current Assets	961,168	804,830
 TOTAL ASSETS	 \$ 961,168	 804,830
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued liabilities	\$ 3,881	5,929
Funds held for other organizations	-	497
Total current liabilities	3,881	6,426
Total liabilities	3,881	6,426
 Net Assets		
Net assets without donor restrictions		
Undesignated	-	-
Designated by board for operating reserves	262,537	260,144
Net assets with donor restrictions		
Purpose/time restricted net assets	694,750	538,260
Total net assets	957,287	798,404
 TOTAL LIABILITIES AND NET ASSETS	 \$ 961,168	 804,830

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

UNITED WAY OF NORTHERN NEW MEXICO
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2020, with Comparative Totals for 2019

	Without Donor Restrictions	With Donor Restrictions	2020 Totals	2019 Totals
Public support and revenue				
Gross campaign results, net of attrition estimate	\$ 164,333	312,122	476,455	501,964
Less donor designations	<u>(7,445)</u>	-	<u>(7,445)</u>	<u>(8,131)</u>
Net campaign revenue	<u>156,888</u>	<u>312,122</u>	<u>469,010</u>	<u>493,833</u>
Cornerstone program funding	10,000	38,500	48,500	79,340
RAC SAC Initiative grants	-	108,000	108,000	164,183
McCurdy Ministries Community Center (fiscal sponsor)	-	4,500	4,500	-
Native Food and Nutrition Alliance (fiscal sponsor)	-	144,000	144,000	-
Other grants	-	10,080	10,080	-
Census contract	-	43,182	43,182	-
In-kind contributions	30,129	-	30,129	18,477
Dividends, interest & investment gains (net of fees)	43,291	-	43,291	61,518
Administration fee income	34,418	-	34,418	16,657
Net assets released from restrictions due to satisfaction of program restrictions	<u>503,894</u>	<u>(503,894)</u>	<u>-</u>	<u>-</u>
Total public support and revenue	<u>778,620</u>	<u>156,490</u>	<u>935,110</u>	<u>834,008</u>
Grants and expenses				
Gross distributions to agencies	454,230	-	454,230	553,112
Less: donor designations to agencies	<u>(7,445)</u>	-	<u>(7,445)</u>	<u>(8,131)</u>
Net allocations granted to agency programs	<u>446,785</u>	-	<u>446,785</u>	<u>544,981</u>
Other program expenses	<u>149,473</u>	-	<u>149,473</u>	<u>170,012</u>
Total program services	<u>596,258</u>	-	<u>596,258</u>	<u>714,993</u>
General & administrative	90,598	-	90,598	87,031
Fundraising expense	80,245	-	80,245	65,558
United Way Worldwide dues	<u>9,125</u>	-	<u>9,125</u>	<u>7,637</u>
Total operating expenses	<u>776,226</u>	-	<u>776,226</u>	<u>875,219</u>
Change in net assets	2,394	156,490	158,884	(41,211)
Net assets, beginning	260,144	538,260	798,404	360,241
Restatement	-	-	-	479,374
Net assets, beginning restated	<u>260,144</u>	<u>538,260</u>	<u>798,404</u>	<u>839,615</u>
Net assets, ending	<u>\$ 262,538</u>	<u>694,750</u>	<u>957,288</u>	<u>798,404</u>

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

UNITED WAY OF NORTHERN NEW MEXICO
STATEMENT OF FUNCTIONAL EXPENSES
For The Year Ended December 31, 2020, with Comparative Totals for 2019

	Program	General & Administrative	Fundraising	2020 Total	2019 Total
Gross distributions to agencies	\$ 454,230	-	-	454,230	553,112
Less donor designations to agencies	(7,445)	-	-	(7,445)	(8,131)
Net allocations granted to agency programs	446,785	-	-	446,785	544,981
Personnel expenses:					
Salaries	95,214	46,437	29,948	171,599	179,076
Payroll taxes	7,536	3,675	2,370	13,581	17,690
Payroll benefits	4,880	1,886	1,087	7,853	6,156
Total personnel	107,630	51,998	33,405	193,033	202,922
General expenses:					
Contract labor	22,745	10,610	14,269	47,624	30,468
Professional fees	6,858	5,783	6,438	19,079	15,019
Printing and reproduction	-	-	15,629	15,629	7,786
In-kind rent	-	7,500	7,500	15,000	15,000
UWWW Membership dues	3,280	2,766	3,080	9,126	7,637
Telephone	1,638	3,965	1,554	7,157	763
Office expense	1,183	2,783	2,379	6,345	5,112
Marketing	1,621	-	1,622	3,243	4,491
Training	1,010	1,684	193	2,887	75
Insurance	-	2,155	-	2,155	2,808
Website	668	504	669	1,841	6,002
Postage and delivery	-	106	1,633	1,739	1,944
Travel and meals	787	262	262	1,311	4,623
Programs: 100 Women	1,067	-	-	1,067	7,184
Advertising	650	-	314	964	682
Other expenses	12	477	356	845	1,482
Community outreach	225	3	28	256	6,430
Campaign recognition	99	2	39	140	-
Campaign Kickoff	-	-	-	-	9,810
Total general expenses	41,843	38,600	55,965	136,408	127,316
Total expenses	\$ 596,258	90,598	89,370	776,226	875,219

SEE INDEPENDENT AUDITOR'S REPORT
The accompanying notes are an integral part of these financial statements.

UNITED WAY OF NORTHERN NEW MEXICO
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2020, with Comparative Totals for 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	2020	2019
Cash received from grantors	\$ 309,762	164,183
Cash received from contributors & support	532,223	628,831
Cash received from other income	34,418	16,657
Interest income & dividends	8,868	13,451
Grant distributions	(447,282)	(544,484)
Cash payments to vendors & contractors	(121,408)	(112,316)
Cash payments for wages & benefits	(195,081)	(206,383)
Net cash provided/(used) by operating activities	121,500	(40,061)
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	-	130,000
Purchase of investments	(8,868)	(22,667)
Net cash provided/(used) by investing activities	(8,868)	107,333
 Net increase (decrease) in cash		
	112,632	67,272
 Cash, restricted cash, & cash equivalents, beginning of year		
	173,876	106,604
Cash, restricted cash, & cash equivalents, end of year	\$ 286,508	173,876
 RECONCILIATION OF CHANGE IN NET ASSETS TO CASH PROVIDED/(USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ 158,884	(41,211)
 Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Other adjustments	50	(1,195)
Adjustment due to attrition estimate	-	41,920
Donated stock (in-kind)	(15,129)	(3,477)
Realized and unrealized (gains) losses on investments	(34,423)	(51,999)
 Changes in assets and liabilities:		
(Increase) decrease in campaign pledges receivable	14,663	13,738
(Decrease) increase in accrued expenses	(2,048)	1,666
(Decrease) increase in funds held for other organizations	(497)	497
Net cash provided (used) by operating activities	\$ 121,500	(40,061)
 Supplementary Information		
In-kind rent	\$ 15,000	15,000
In-kind contributions-stock donation	15,129	3,477
	\$ 30,129	18,477

**UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020, with Comparative Totals for 2019**

NOTE A-NATURE OF OPERATIONS

The United Way of Northern New Mexico Inc. (UWNNM) is a New Mexico not-for-profit corporation, chartered in 1954, with governance by a volunteer Board of Trustees. UWNNM is organized to solicit and receive contributions from the public. These funds are allocated and distributed to partner agencies and grantees, which in turn serve the community through charitable, educational, health, welfare, and recreational activities.

NOTE B-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of UWNNM have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities. Under this method, all revenues earned and determinable in amount and receivable by the organization are recognized. Expenses incurred but not paid as of the close of business at December 31 are accrued. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. These are defined as follows:

Without Donor Restrictions

Amounts without donor restrictions are those net assets currently available at the discretion of the Board for use in UWNNM's programs, and those resources invested in land, buildings and equipment. The Board has designated, from net assets without donor restrictions, up to \$300,000 in net assets for an operating reserve held in the investment accounts.

Net Assets with Donor Restrictions – Temporary in Nature

Net assets with donor restrictions are the result of contributions and other inflows of assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions can be fulfilled and removed by actions of the organization pursuant to those stipulations or by the passage of time. Other

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donor restrictions are perpetual in nature.

Net Assets with Donor Restrictions - Perpetual in Nature

Net assets resulting from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that cannot be removed by actions of UWNNM. UWNNM did not have net assets with donor restrictions perpetual in nature during the years ended December 31, 2020 and 2019.

Liquidity and Availability of Financial Resources

UWNNM regularly monitors liquidity to meet cash flow requirements and operating needs. The availability of financial assets is primarily affected by management designations, the nature of the underlying assets, external limitations imposed by donors or contracts with others. UWNNM is not substantially supported by restricted grants. Because a donor's restriction required resources to be used in a particular manner or in a future period, UWNNM must maintain sufficient resources to meet those responsibilities to its donors. All campaign pledges are time restricted for the following year and therefore are available within one year. Other financial assets may not be available for general expenditure within one year. As part of UWNNM's liquidity management it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, UWNNM may invest cash in excess of daily requirements in short-term investments. Occasionally, the board designates a portion of any operating surplus to its liquidity reserve.

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SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020, with Comparative Totals for 2019

Liquidity is as follows for the years ending December 31:

	2020	2019
Total cash, at year end	\$ 286,508	173,876
Pledges receivable, net	249,314	263,977
Investments, at fair value	425,346	366,977
Less: Board designated reserves	(262,537)	(260,144)
	698,631	544,686
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(538,260)	(694,750)
Less net assets with purpose and time restrictions to be met in less than a year	538,260	694,750
	-	-
Current assets available to meet cash needs for general expenditures within one year	\$ 698,631	544,686

Cash, Restricted Cash and Cash Equivalents

UWNNM considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash includes money market funds and interest-bearing instruments with maturities at the date of purchase of three months or less. UWNNM maintains deposits in financial institutions that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). Management believes that there is not a significant risk with respect to these deposits.

Concentration of Credit Risk—Uninsured Cash Balances

UWNNM maintains cash funds at one financial institution located in Los Alamos, New Mexico. Currently, the FDIC insures bank balances up to \$250,000, per institution. The SIPC insures money market balances up to \$500,000, however SIPC does not protect the value of the balances. As of December 31, 2020, UWNNM bank balances were underinsured in the amount of \$36,508. UWNNM did not have any uninsured bank balances at December 31, 2019.

Investments

Investments are carried at fair value. 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. Realized gains and losses are recorded on a specific identification method upon the sale of investment assets. Realized and unrealized gains and losses, as well as investment expenses are reflected within the investment return, net, in the statement of activities.

UNITED WAY OF NORTHERN NEW MEXICO
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Investment income and gains (losses) restricted by donors are reported as increases (decreases) in net assets without donor restrictions unless donor-imposed restrictions have not been met in the reporting period in which the income and gains are recognized. UWNNM's investment balances hold donor restricted contributions. See Note I - Net Assets with Donor Restrictions.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

The fair value of investments is subject to ongoing fluctuation. The amount ultimately realized upon disposition may differ than the amounts reported in these financial statements. Fair value estimates for securities are currently volatile, difficult to predict, and subject to material changes that could affect UWNNM's financial condition and results of operations in the future.

Accounts, Grants and Contracts Receivables

Contracts, grants, and other receivables are stated at unpaid balances, less an allowance for doubtful accounts. Management estimates the adequacy of the allowance for uncollectible receivables based on historical collections, specific impaired receivables, and other situations that may affect the collection of the receivables. Receivables are charged off in the period in which the management determines the receivable is uncollectible.

Pledged Receivables

Pledges are recorded in the financial statements upon receipt of pledge information from the campaigns and an allowance account has been established based on attrition rates of donors, based on historical performance. All promises to give are unconditional and are expected to be received in less than one year. See Note F – Pledges Receivable.

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
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Fiscal Sponsorships

UWNNM acts as a fiscal sponsor for McCurdy Ministries Community Center and Native Food and Nutrition Alliance. Grant revenues are collected for these organizations, which pay an administrative fee to UWNNM. These fees are deducted upon collection of the revenues, and the carrying value of these accounts is recorded net of fees.

Fair Value Measurement

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.

The fair value of investments is subject to ongoing fluctuation. The amount ultimately realized upon disposition may differ than the amounts reported in these financial statements. Fair value estimates for securities are currently volatile, difficult to predict, and subject to material changes that could affect UWNNM's financial condition and results of operations in the future.

Revenue Recognition

Annual fundraising campaigns are conducted each year to carry out UWNNM's mission. Pledges from campaigns continue to be received into the following calendar year. All pledges and other contributions are considered to be available for unrestricted use unless specifically restricted by donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. UWNNM typically shows restricted revenue and its subsequent release in the statement of activities for the time period in which the contribution is received.

Contributions are reported when an unconditional promise to give or other asset is received (in accordance with ASC 958-605). Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Gifts of securities are recorded at their fair market value when received. Unconditional promises to give that are expected to be collected in future years are computed using risk free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. See Note F for Pledges Receivable.

Contributed (Donated) Services

Contributions of services are recognized in the accompanying financial statements in accordance with FASB ASC 958-605-25-16; if the services received:

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- enhance or create non-financial assets,
- require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

A substantial number of unpaid volunteers have made significant contributions of their time to develop UWNNM's programs, principally in board activities, fundraising and programs. The value of this contributed time is not reflected in these financial statements. Donated goods and services are recorded at their estimated fair value at the date of donation. Services that require specific expertise are recorded when received. UWNNM had no donated services in the fiscal years ended December 31, 2020 and 2019.

Contributed (Donated) Assets

UWNNM may receive contributions of non-cash assets and use of facilities. Donated marketable securities and other non-cash donations are recorded as in-kind contributions at their estimated fair values at the date of donation. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Absent donor stipulations regarding how long those donated assets must be maintained, UWNNM reports the expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. UWNNM reclassifies net assets with donor restrictions to net assets without donor restrictions at that time unless the donor has restricted the donated asset to a specific purpose. See Note J for in-kind contributions.

Donor Designations

Annual campaign gifts in which UWNNM agrees to transfer the gift to another beneficiary as designated by the donor constitute agency transactions and are deducted from gross campaign results to arrive at contribution revenue. In accordance with United Way Worldwide membership requirements, these designations are present as part of gross campaign results and gross agency distributions on the statement of activities, but are then deducted to arrive at UWNNM's actual revenue and expense under accounting principles generally accepted in the United States of America.

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020, with Comparative Totals for 2019**

Distributed Grants

Amounts distributed from the Community Action Fund (CAF) are generally determined by the board after annual campaign results are substantially known.

Property, Equipment, and Depreciation

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property are reported as support with donor restrictions. Depreciation is computed using the straight-line method. UWNNM capitalizes all expenditures for property and equipment with a cost of \$5,000 or more. Items with a cost of less than \$5,000 are expensed in the year of acquisition. Repairs and maintenance expenses are charged to operations when incurred and major betterments and replacements are capitalized.

The major classifications of property and equipment and the related depreciable lives are as follows:

<u>Type</u>	<u>Lives</u>
Building and building improvements	10-39 years
Leasehold improvements	2 - 39 years
Furniture and equipment	3 - 5 years
Computer equipment and other	3 - 5 years

As of December 31, 2020 and 2019, UWNNM did not have any property or equipment.

Accrued Leave

Employees for UWNNM accrue personal leave at a set rate. Employees may carry over unused leave up to 1.5 times the annual accrual rate from one calendar year to the next. Any unused accrued personal leave over the allowed limit will expire at the end of the calendar year.

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The following table outlines the annual accrual rates:

<u>Employee Classification</u>	<u>Computation of PTO</u>
Executive Director	18 days
Full-time non-exempt	16 days
Permanent part-time staff (any permanent employee who works less than 40 hrs, down to 20 hrs)	accrued at a prorated full-time rate

Advertising

UWNNM expenses advertising costs as incurred. Advertising costs were \$964 for the year ended December 31, 2020 and \$682 for the year ended December 31, 2019. Advertising costs are incurred primarily for the dissemination of program information.

Deferred Annuity Plan

UWNNM contributes to employee deferred annuity plans on a percentage of compensation basis set by the board. For the years ended December 31, 2020 and 2019, the contribution percentage was 5%. Employees may contribute to the plan on a voluntary basis through payroll withholding. Employer contributions to the retirement plan were \$7,853 for the year ended December 31, 2020 and \$6,156 for the year ended December 31, 2019.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of UWNNM have been summarized on a functional basis in the statement of functional expenses. Salary and other personnel costs that are not directly coded to a programmatic activity are allocated based on time certifications and the best estimate of employees. Repairs, and maintenance expenses are allocated among the programs, supporting services, and fundraising activities benefited.

Other operating costs are allocated using various allocation methodologies including allocations based on personnel, square footage, or revenue generated.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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Income Taxes

UWNNM is a non-profit organization and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified by the Internal Revenue Service as an organization that is not a private foundation.

UWNNM files its Federal Form 990 tax return in the U.S. federal jurisdiction and the online charitable registration in the Office of the Attorney General for the State of New Mexico. UWNNM is generally no longer subject to examination by the Internal Revenue Service and the New Mexico Taxation and Revenue Department for fiscal years before 2017. UWNNM is not currently under audit nor has UWNNM been contacted by any of these jurisdictions. Management believes that they are operating within their tax-exempt purpose.

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. 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 CAF grants. The United Way Worldwide guides its affiliates with diversified campaigns toward a smaller reserve, while advising a larger reserve in campaigns that are less diversified. The Board has set aside a reserve of approximately four months in its investments account for the 2020 and 2019 fiscal years. Board designated reserve amounts recognized in these financial statements are \$262,537 for the year ended December 31, 2020 and \$260,144 for the year ended December 31, 2019.

NOTE C—CASH, RESTRICTED CASH AND CASH EQUIVALENTS

Cash, restricted cash and cash equivalents consist of the following at December 31:

Cash and Cash Equivalents	2020	2019
Cash in checking	\$ 23,925	171,345
Cash in savings	262,583	2,531
Total	\$ 286,508	173,876

See Note I for details of restricted funds.

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020, with Comparative Totals for 2019

NOTE D—INVESTMENTS

Investments at December 31, include:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Investments				
Cash & money market funds	\$ 7,725	21,551	7,725	7,725
Mutual funds & other assets	333,608	403,795	319,512	359,252
Total investments	\$ 341,333	425,346	327,237	366,977

Investment activity for each fiscal year, consists of the following:

	2020	2019
Beginning Balance	\$ 366,977	432,214
Interest and dividends	8,816	13,219
Net realized gains (losses)	-	12,201
Unrealized gains (losses)	37,443	39,798
Investment income (loss), net	46,259	65,218
Contributions	-	3,477
Donated securities	15,129	-
Withdrawals	-	(130,000)
Investment fees	(3,020)	(3,932)
Ending Balance	\$ 425,346	366,977

NOTE E—FAIR VALUES MEASURED ON RECURRING BASIS

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on UWNM's financial statements as reflected herein. UWNM measures certain financial assets and liabilities at fair value on a recurring basis, including its derivative liabilities. UWNM's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy.

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The three levels are as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value of investment securities is the market value based on the quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs to the limited market activity of the instrument.

All investments are considered to fall under the Level 1 valuation methodology. Please see Note D for details on investments.

The carrying amounts of cash and cash equivalents, receivables, payables, accrued expenses, and other liabilities approximate fair value due to the short maturity periods of these instruments. The fair value of long-term debt, if any, is the carrying value due to the adjustable market rate of interest.

NOTE F—PLEDGES RECEIVABLE

Each year, UWN NM asks employees of several local organizations to submit pledge cards indicating donations the employees intend to give for future years. The largest of these

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employers is Los Alamos National Laboratories (LANL). In addition to withholding voluntary employee contributions to UWNM to facilitate donation, LANL has a matching policy which effectively doubles the donations received. While the pledges are a promise to give, in 2020 LANL discontinued providing UWNM an advance promise to match employee giving, although it has continued to match these contributions each quarter. Due to this change, LANL's matching contribution is not recognized as revenue until funds are received. This is a change in revenue recognition timing from the prior year.

The allowance for uncollectible pledges is an estimate based on the historical rate of attrition, which management has placed at approximately 3%. The allowance was increased in 2019 due to a number of factors including changes to the employee contribution campaign at LANL and the economic impact of COVID-19. However, the actual rate of attrition in 2019 remained consistent with the historical approximation. At December 31, 2020, the allowance for uncollectible pledges was \$9,818, or 3.8% of pledges receivable.

Campaign pledges receivable are comprised of the following unconditional promises to give at December 31:

<u>Type</u>	<u>2020</u>	<u>2019</u>
Campaign pledges receivables		
2021 United Way campaign	\$ 199,102	-
2020 United Way campaign	60,030	253,077
2019 United Way campaign	-	60,268
Less: allowance for uncollectible pledges	<u>(9,818)</u>	<u>(49,368)</u>
Net campaign pledges receivable	<u>\$ 249,314</u>	<u>263,977</u>

NOTE G—PROPERTY, EQUIPMENT AND DEPRECIATION

For the years ended December 31, 2020 and 2019, UWNM did not have any property or equipment.

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NOTE H—ACCRUED LIABILITIES

Accrued liabilities at December 31, consist of the following:

	<u>2020</u>	<u>2019</u>
Accrued annual leave	\$ 2,529	2,146
Accrued payroll taxes and benefits	<u>1,352</u>	<u>3,783</u>
Total accrued liabilities	<u>\$ 3,881</u>	<u>5,929</u>

NOTE I—NET ASSETS WITH DONOR RESTRICTIONS

Various contributions have been restricted by donors. Net assets with donor restrictions related to assets restricted from program use are as follows:

	<u>2019</u>	<u>Additions</u>	<u>Released</u>	<u>2020</u>
Net Assets with Donor Restrictions in Purpose/Time				
Campaign contributions	\$ 329,252	312,122	(329,252)	312,122
Cornerstone contributions	44,825	38,500	(44,825)	38,500
RAC SAC Initiative grants	164,183	108,000	(67,568)	204,615
McCurdy Ministries Community Center Grant	-	4,500	-	4,500
Native Food and Nutrition Alliance	-	144,000	(22,458)	121,542
100 Women	-	1,080	(1,067)	13
ACES	-	9,000	-	9,000
Census	-	43,182	(38,724)	4,458
Total Net Assets with Donor Restrictions in Purpose/Time	<u>\$ 538,260</u>	<u>660,384</u>	<u>(503,894)</u>	<u>694,750</u>

Restricted net assets are held in restricted cash and also in investment funds.

NOTE J—IN-KIND CONTRIBUTIONS

At year end, UWNNM recognizes in-kind contributions as follows:

<u>Type</u>	<u>2020</u>	<u>2019</u>
Unrestricted contributions		
In-kind rent	\$ 15,000	15,000
Donated stock	<u>15,129</u>	<u>3,477</u>
Total	<u>\$ 30,129</u>	<u>18,477</u>

In-kind rent of facilities is used for UWNNM operations and the donated stock was monetized soon after received.

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NOTE K—ECONOMIC DEPENDENCY

UWNNM receives a significant portion of its revenue in the form of grants, contracts, and other contributions. UWNNM expects these grants, contracts, and awards to continue into the foreseeable future. If, however, a significant portion of these funds are not continued, UWNNM’s ability to continue all programs would be diminished. The following is a summary of concentrations from contributions and grants as of December 31:

Concentrations	2020	2019
Contributions and grants \$	655,639	755,833
Total revenue \$	935,110	834,008
Concentration percentage	70%	91%

NOTE L—DONOR DESIGNATIONS

Designations distributed for the year ended December 31 are as follows:

Designations	2020	2019
Boy Scouts Great Southwest Council	150	-
Christian Church of Los Alamos	-	27
Dance Arts of Los Alamos	468	-
Espanola Public Schools HOPE Program	1,176	-
Hope Pregnancy Center	-	936
Las Clinicas del Norte	-	1,874
Los Alamos Council on Cancer	-	450
Los Alamos Public Schools Foundation	468	-
McCurdy Ministries	-	93
Northern New Mexico College Foundation	994	994
St. Judes Childrens Hospital	1,264	-
Special Olympics	-	972
Univeristy of New Mexico Children's Hospital	1,170	-
YMCA	1,755	2,785
Total donor designations	\$ 7,445	8,131

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NOTE M—EVALUATION OF SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are issued. UWNNM recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. UWNNM's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued. The organization has evaluated subsequent events through July 20, 2021, which is the date the financial statements were available to be issued.

Subsequent to December 31, 2020, as a result of the continuing economic impact of the COVID-19 virus, uncertainties have arisen which are likely to negatively impact UWNNM's funding sources and cash flow. Other financial impacts could occur though such potential impact is unknown at this time.