

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, 2007 and 2006, 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, 2007 and 2006, 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.

Swain, Mackinnon & Swain, LLC

February 13, 2008

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARriba COUNTIES
STATEMENTS OF FINANCIAL POSITION
December 31, 2007 and 2006

ASSETS

	<u>2007</u>	<u>2006</u>
Current Assets		
Cash and savings deposits	\$ 536,384	\$ 602,388
Estimated pledges receivable, net of allowance for uncollectibles, notes 1 and 3	1,199,471	405,848
Investments, note 2	<u>609,661</u>	<u>81,475</u>
	<u>2,345,516</u>	<u>1,089,711</u>
 Property and Equipment, notes 1 and 4		
Furniture, fixtures and equipment	15,214	15,214
Less accumulated depreciation	<u>(13,187)</u>	<u>(12,063)</u>
	<u>2,027</u>	<u>3,151</u>
 Total Assets	 <u>\$ 2,347,543</u>	 <u>\$ 1,092,862</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Donor designations payable, note 1	\$ 1,913,728	\$ 828,330
Accrued payroll and related liabilities	<u>9,012</u>	<u>2,333</u>
Total Liabilities	<u>1,922,740</u>	<u>830,663</u>
 Net Assets, note 1		
Unrestricted		
Unappropriated	186,205	180,724
Board designated	<u>238,598</u>	<u>81,475</u>
Total Net Assets	<u>424,803</u>	<u>262,199</u>
 Total Liabilities and Net Assets	 <u>\$ 2,347,543</u>	 <u>\$ 1,092,862</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, 2007
with Comparative Totals for the Year Ended December 31, 2006

	2007			2006
	Unrestricted			Total
	Undesignated	Board Designated	Total	
<u>Revenues and other support</u>				
Contributions, note 1	\$ 1,616,586	\$ -	\$ 1,616,586	\$ 1,179,289
Interest and dividend income	19,853	-	19,853	14,672
In kind contributions, note 5	11,465	-	11,465	5,995
Realized gains/(losses) on Investments	-	-	-	2,863
Unrealized gains/(losses) on Investments	8,090	-	8,090	2,649
Total revenues and other support	1,655,994	-	1,655,994	1,205,468
<u>Expenses and losses</u>				
<i>Program services</i>				
Grants, note 1	226,036	-	226,036	865,717
Program services	1,018,788	-	1,018,788	27,753
	1,244,824	-	1,244,824	893,470
<i>Supporting services</i>				
General and administrative	97,978	-	97,978	62,462
Fundraising	81,282	-	81,282	109,465
Total functional expenses	1,424,084	-	1,424,084	1,065,397
Bad debt expense, net, notes 1 and 3	57,841	-	57,841	62,080
In-kind expenses, note 5	11,465	-	11,465	5,995
Total expenses and losses	1,493,390	-	1,493,390	1,133,472
Change in net assets	162,604	-	162,604	71,996
Net assets, beginning of year	180,724	81,475	262,199	190,203
Board transfers	(157,123)	157,123	-	-
Net assets, end of year	\$ 186,205	\$ 238,598	\$ 424,803	\$ 262,199

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UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 162,604	\$ 71,996
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	1,124	964
Change in pledges receivable	(793,623)	185,166
Change in accounts payable and accrued expenses	6,679	(2,116)
Change in allocations and donor designations	-	(43,684)
Change in deferred revenue	<u>1,085,398</u>	<u>(245,941)</u>
Net cash provided (used) by operating activities	<u>462,182</u>	<u>(33,615)</u>
 Cash flows from investing activities:		
Acquisition of property and equipment	-	(1,149)
Purchase of investments	<u>(528,186)</u>	<u>(6,662)</u>
Net cash used by investing activities	<u>(528,186)</u>	<u>(7,811)</u>
 Net change in cash	(66,004)	(41,426)
 Cash, beginning of year	<u>602,388</u>	<u>643,814</u>
 Cash, end of year	\$ <u>536,384</u>	\$ <u>602,388</u>

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