

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

FINANCIAL STATEMENTS

December 31, 2008 and 2007

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
FINANCIAL STATEMENTS
December 31, 2008 and 2007

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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, 2008 and 2007, 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, 2008 and 2007, 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 & Grieco, LLC
May 10, 2009

UNITED WAY OF NORTHERN NEW MEXICO
SERVING LOS ALAMOS & RIO ARRIBA COUNTIES
STATEMENTS OF FINANCIAL POSITION
December 31, 2008 and 2007

ASSETS

	<u>2008</u>	<u>2007</u>
Current Assets		
Cash and savings deposits	\$ 1,175,699	\$ 536,384
Estimated pledges receivable, net of allowance for uncollectibles, <i>notes 1 and 3</i>	1,739,194	1,199,471
Investments, <i>note 2</i>	<u>34,843</u>	<u>609,661</u>
	<u>2,949,736</u>	<u>2,345,516</u>
 Property and Equipment, <i>notes 1 and 4</i>		
Furniture, Fixtures and Equipment	14,514	15,214
Less: Accumulated Depreciation	<u>(13,611)</u>	<u>(13,187)</u>
Net Property and Equipment	<u>903</u>	<u>2,027</u>
 Total Assets	 <u>\$ 2,950,639</u>	 <u>\$ 2,347,543</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Donor designations payable, <i>note 1</i>	\$ 2,329,319	\$ 1,913,728
Accrued payroll and related liabilities	<u>10,042</u>	<u>9,012</u>
Total Liabilities	<u>2,339,361</u>	<u>1,922,740</u>
 Net Assets, <i>note 1</i>		
Unrestricted		
Unappropriated	359,485	186,205
Board designated	<u>251,793</u>	<u>238,598</u>
Total Net Assets	<u>611,278</u>	<u>424,803</u>
 Total Liabilities and Net Assets	 <u>\$ 2,950,639</u>	 <u>\$ 2,347,543</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, 2008 with Comparative
Totals for the Year Ended December 31, 2007

	2008			2007
	Unrestricted		Total	Total
	Undesignated	Board Designated		
<u>Revenues and other support</u>				
Contributions, <i>note 1</i>	\$ 1,927,702	\$ -	\$ 1,927,702	\$ 1,616,586
Interest and dividend income	29,850	-	29,850	19,853
In kind contributions, <i>note 5</i>	32,676	-	32,676	11,465
Unrealized gains (losses) on investments	(21,058)	-	(21,058)	8,090
Total revenues and other support	<u>1,969,170</u>	<u>-</u>	<u>1,969,170</u>	<u>1,655,994</u>
<u>Expenses and losses</u>				
<i>Program services</i>				
Grants, <i>note 1</i>	110,200	-	110,200	226,036
Other Program Services	1,404,826	-	1,404,826	1,018,788
	<u>1,515,026</u>	<u>-</u>	<u>1,515,026</u>	<u>1,244,824</u>
<i>Supporting services</i>				
General & Administrative	132,136	-	132,136	97,978
Fundraising	66,583	-	66,583	81,282
Total Functional Expenses	<u>1,713,745</u>	<u>-</u>	<u>1,713,745</u>	<u>1,424,084</u>
Bad debt expense, net, <i>notes 1 and 3</i>	36,274	-	36,274	57,841
In-kind expenses, <i>note 5</i>	32,676	-	32,676	11,465
Total expenses and losses	<u>1,782,695</u>	<u>-</u>	<u>1,782,695</u>	<u>1,493,390</u>
Change in net assets	186,475	-	186,475	162,604
Net assets, beginning of year	186,205	238,598	424,803	262,199
Board transfers	<u>(13,195)</u>	<u>13,195</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 359,485</u>	<u>\$ 251,793</u>	<u>\$ 611,278</u>	<u>\$ 424,803</u>

The Accompanying Notes Are an Integral Part of
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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, 2008 and 2007

	2008	2007
Cash Flows from Operating Activities		
Change in net assets	\$ 186,475	\$ 162,604
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>		
Depreciation expense	1,124	1,124
Net unrealized (gains) losses on investments	21,058	(8,090)
Change in pledges receivable	(539,722)	(785,533)
Change in pledges payable	(53,970)	138,970
Change in accounts payable and accrued expenses	1,030	6,679
Change in deferred revenue	469,560	946,428
Net cash provided by operating activities	85,556	462,182
Cash Flows from Investing Activities		
Purchase/redemption of investments	553,761	(528,186)
Net cash provided (used) by investing activities	553,761	(528,186)
Net change in cash	639,317	(66,004)
Cash, beginning of year	536,384	602,388
Cash, end of year	\$ 1,175,701	\$ 536,384

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, 2008

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

Purpose: 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.

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.

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, 2008 and 2007, 4.50% of the budgeted annual campaign contributions have been determined to accurately represent uncollectible accounts.

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, 2008

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

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.

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.

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.

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.

Cash Flows

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

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

(2) Investments

A summary of investments for cash designated by the Board and the investments in securities at December 31, 2008 and 2007 consist of the following:

	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

	2007	
	Cost	Market
Cash and money market funds	\$ 545,004	\$ 545,004
Mutual Funds	54,433	56,964
Equity Securities	7,541	7,693
<i>Total:</i>	\$ 606,978	\$ 609,661

For the years ended December 31, 2008 and 2007, the Board designated \$251,793 and \$238,598, respectively.

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

Unconditional pledges to give as of December 31, 2008 and 2007, are summarized as follows:

	2008	2007
Pledges Receivable	\$ 1,794,751	\$ 1,265,892
Less: Allowance for Uncollectible Pledges	(55,557)	(66,421)
Net Unconditional Pledge Receivables	\$ 1,739,194	\$ 1,199,471

For the years ended December 31, 2008 and 2007, bad debts expense recognized in these financial statements is \$36,274 and \$57,841.

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

(4) Property and Equipment

The following is a summary of the United Way's property and equipment, and accumulated depreciation as of December 31, 2008 and 2007.

	2008	2007
Office Equipment	\$ 12,760	\$ 12,760
Storage Shed	-	700
Software	1,754	1,754
	14,514	15,214
Less: Accumulated depreciation and amortiza:	(13,611)	(13,187)
Property and equipment, net	\$ 903	\$ 2,027

(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, 2008 and 2007, contributions of \$32,676 and \$11,465 respectively, have been recognized in the accompanying financial statements.

(6) Leases

The United Way leases its office space from a bank under a lease that expires on March 3, 2008. For the years ended 2008 and 2007, the value of the leases was contributed to the United Way by the bank. As of December 31, 2008 and 2007, the value of the leases recognized in the financial statements are \$15,510 and \$11,465, respectively.

(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, 2008 and 2007, employer contributions of \$7,250 and \$6,875 have been recognized in the annual 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, 2007 from which the summarized financial information was derived.