

**UNITED WAY OF EASTERN
NEW MEXICO, INC.**

**FINANCIAL STATEMENTS
DECEMBER 31, 2017**

UNITED WAY OF EASTERN NEW MEXICO, INC.
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UNITED WAY OF EASTERN NEW MEXICO

BOARD OF DIRECTORS

President	Kathy Spears
Vice-President (First)	Steve Vernon
Treasurer	John Ellis
Secretary	Daniel Brashear
Campaign Chair	April Goff
Campaign Chair Elect	Misty Bertrand
Fund Distribution	John Luhman
2-1-1 Chair	Mindy Watson
Past President	Casey Peacock
Members	Claire Burroughes Eduardo Lopez Henry Montano Monty Porter Alisa Boswell
Executive Director	Erinn Burch

William T. Barrett, CPA

CERTIFIED PUBLIC ACCOUNTANTS

227 E. Palace Ave. Suite E
Santa Fe, New Mexico 87501
(505) 983-5111

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
United Way of Eastern New Mexico, Inc.

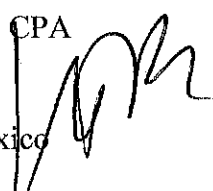
I have audited the accompanying statement of financial position of United Way of Eastern New Mexico, Inc (nonprofit organization) as of December 31, 2017 and the related statements of activities, functional expenses and cash flow for the year then ended. The financial statements are the responsibility of management. Our responsibility is to express an opinion on the 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 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 that our audit provides 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 Eastern New Mexico, Inc. as of December 31, 2017 and the results of operation and cash flow for the year then ended, in conformity with generally accepted accounting principles of the United States.

William T. Barrett, CPA

Santa Fe, New Mexico
August 18, 2018



UNITED WAY OF EASTERN NEW MEXICO

Consolidated Statement of Financial Position

As of December 31, 2017

ASSETS

Current Assets:

Cash and cash equivalents	\$	312,132
Accounts Receivable		13,204
Unconditional promises to give, net		245,182
Prepaid Expenses		<u>10,896</u>

Total Current Assets 581,414

Non Current Assets:

Investments		124,862
Property and equipment (Note 2)		11,586
Accumulated depreciation		<u>(9,727)</u>

TOTAL ASSETS \$ 708,135

LIABILITIES

Current liabilities:

Accounts Payable	\$	1,708
Accrued Salaries & Benefits		6,329
Donor Option Payable		<u>86,417</u>

Total current liabilities \$ 94,454

Total liabilities \$ 94,454

NET ASSETS

Unrestricted	\$	298,158
Temporarily Restricted		190,703
Permanently restricted		124,820

Total Unrestricted Net Assets \$ 613,681

TOTAL NET ASSETS \$ 613,681

TOTAL LIABILITIES AND NET ASSETS \$ 708,135

The notes to the Financial Statements are an integral part of these statements

UNITED WAY OF EASTERN NEW MEXICO

Statement of Activities
For Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Campaign Results:				
Older Campaigns	\$ 4,917		\$ -	\$ 4,917
2016/2017 Campaign		\$ 531,826		\$ 531,826
Pledged in Prior Year		\$ (306,084)		\$ (306,084)
2017/2018 Campaign	\$ -	\$ 314,535		\$ 314,535
Estimated Uncollectible		\$ (22,932)		\$ (22,932)
Total Campaign	\$ 4,917.00	\$ 517,345.00	\$ -	\$ 522,262.00
Board allocation to Permanently Restricted	\$ -	\$ (118,662)	\$ 118,662	\$ -
Contributions Released from Restrictions	\$ 508,894	\$ (508,894)		
	\$ 513,811	\$ (110,211)	\$ 118,662	\$ 522,262
Other Revenues				
Special events	\$ 39,635	\$ 1,425		\$ 41,060
Community Events	\$ 109,687			\$ 109,687
Restricted Contributions	\$ -			\$ -
Interest	\$ 474		\$ -	\$ 474
In Kind	\$ 143,927			\$ 143,927
Miscellaneous	\$ 1,136		\$ -	\$ 1,136
Total Other Revenues	\$ 294,859	\$ 1,425	\$ -	\$ 296,284
Total Revenue	\$ 808,670	\$ (108,786)	\$ 118,662	\$ 818,546
Program Expenses				
Program Expenses	\$ 129,347			\$ 129,347
Program Expenses in kind	\$ 102,318			\$ 102,318
Allocations, Distributions and Expenses to Agencies and Individuals	\$ 363,345		\$ -	\$ 363,345
	\$ -			\$ -
	\$ 595,010		\$ -	\$ 595,010
Support Expenses				
Fundraising	\$ 64,874			\$ 64,874
Fundraising in kind	\$ 41,109			\$ 41,109
Management	\$ 67,213			\$ 67,213
Management in kind	\$ 500			\$ 500
Total Support Expenses	\$ 173,697	\$ -	\$ -	\$ 173,697
Total Expenses	\$ 768,707	\$ -	\$ -	\$ 768,707
Change in Net Assets	\$ 39,963	\$ (108,786)	\$ 118,662	\$ 49,839
Net Assets-at beginning of year	\$ 258,195	\$ 299,489	\$ 6,158	\$ 563,842
Net Assets at end of year	\$ 298,158	\$ 190,703	\$ 124,820	\$ 613,681

The notes to the Financial Statements are an integral part of these statements

UNITED WAY OF EASTERN NEW MEXICO

Statement of Cash Flows For the year ended December 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in net assets	\$ 50,339
Adjustment to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation/Amortization	1,170
(Increase) decrease in operating assets:	
Accounts Receivable	2,012
Pledges Receivable	(4,479)
Prepaid Expenses	(5,094)
Increase (decrease) in operating liabilities:	
Accrued liabilities	<u>(2,343)</u>
Total Operations	\$41,605

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for property and equipment	\$ -
	<u>\$ -</u>
Net Cash Provided (Used) by Investing Activities	\$ -

CASH FLOWS FROM FINANCING ACTIVITIES

Net Cash Provided (Used) by Financing Activities	\$ -
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Net Increase (Decrease) in Cash and Cash Equivalents	\$41,605
Beginning Cash and Cash Equivalents	<u>395,889</u>
Ending Cash and Cash Equivalents	\$ 437,494

The notes to the Financial Statements are an integral part of these statements

UNITED WAY OF EASTERN NEW MEXICO

Statement of Functional Expenses
For year ended December 31, 2017

	Program Services	Management and General	Fund- raising	Total
Salaries	\$ 79,500	\$ 17,391	\$ 27,328	\$ 124,219
Payroll Taxes	6,203	1,357	2,132	9,692
Employee Benefits	1,451	317	499	2,267
Professional Fees	-	33,325	-	33,325
Office Supplies	3,218	1,609	3,218	8,046
Printing	779	-	3,115	3,894
Postage	311	622	622	1,555
Information Technology	3,311	724	1,138	5,173
Office Rent	4,902	1,072	1,685	7,659
Utilities	144	32	50	226
Telephone	2,228	487	766	3,481
Travel & Mileage	3,274	716	1,125	5,115
Conference, Conventions & Meetings	2,463	539	847	3,849
Payments to Affiliates	3,944	863	1,356	6,163
Insurance		4,692		4,692
Campaign Events	5,668	-	17,881	23,549
Community Events	3,403	-	-	3,403
Awards, Gifts and Events	1,550	-	2,325	3,875
Bank Fees	-	1,516	-	1,516
Dues & Subscriptions	990	-	510	1,500
Miscellaneous	807	781	277	1,865
Depreciation		1,170		1,170
211Expenses	5,201			5,201
	<u>\$ 129,347</u>	<u>\$ 67,213</u>	<u>\$ 64,874</u>	<u>\$ 261,435</u>

The notes to the Financial Statements are an integral part of the statements

United Way of Eastern New Mexico

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

Note 1 Summary of Significant Accounting Policies

Organization United Way of Eastern New Mexico, Inc (United Way) is a voluntary health and welfare organization which solicits and receives contributions to United Way agencies and other donor opted agencies within Curry and Roosevelt Counties. An annual pledge campaign is conducted in the fall of each year in order to raise financial support for participating agencies in the subsequent year.

On March 31, 1971 Curry County United Fund, Inc. incorporated. A Certificate of Amendment was filed on September 4, 1973 changing the name to Curry County United Way, Inc. On April 25, 2005 Curry County United Way and Roosevelt County United Way joined and an additional certificate of amendment was filed to change the name to United Way of Eastern New Mexico, Inc.

Administered Programs – United Way administers the following programs:

Donor Option – Under the Donor Option Program, which occurs concurrently with United Way’s annual campaign, donors have the option to designate contributions to any organizations which are tax-exempt under Internal Revenue Code Section 501 ©(3) within the United States and internationally. United Way remits collected contributions on a quarterly basis to the designated organization.

Community Building Activities- United Way staff and volunteers participate in numerous community efforts to improve lives: Local Emergency Planning Committee, both Portales and Clovis Ministerial Alliances, and both counties substance abuse prevention coalitions and more. In addition UWENM worked with community leaders to host our area’s Veteran Stand Down – a resource event specifically to address needs of veterans.

United Way’s Successful You Career Closet assisted 69 women who were in need of appropriate clothing for job interviews and first days at a new job with gently used “office wear”.

Volunteer Action Center was created to mobilize more volunteers for the non-profit work of Curry & Roosevelt Counties. In 2017, 433 volunteers were engaged in activities at 16 local agencies; providing over \$75,000 in volunteer labor to fight hunger, build affordable housing, mentor young people, serve the elderly and much more.

In order to encourage high school students to complete their education and be aware of the financial management challenges of adult life. UWENM ‘s Reality Check Day

United Way of Eastern New Mexico
NOTES TO THE FINANCIAL STATEMENTS
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program was brought to 850 9th graders across 2 counties and 6 school districts. This experiential learning program was delivered to 90-105 students at a time by over 180 volunteers on 9 school/work days. Over 2200 hours from volunteers and staff was devoted to this project that teacher raved was the best program of its kind that they had ever participated in.

2-1-1 Information Helpline assisted 2,147 callers in 2017, referring them to local/regional services; 2-1-1 published the Summer Activity Guide (a FREE directory of activities for children and families) distributing 13,000 copies across Curry & Roosevelt Counties. 2-1-1 provided direct relief from winter cold and summer heat with heaters and fans to 35 households. 2-1-1 intervened to prevent homelessness for 130 households who were facing eviction and utility cutoff. 2-1-1 helped 146 people take steps toward financial stability by paying the fees for ID cards, Birth Certificates, and drivers licenses- required to find jobs and housing. 2-1-1 gathered over 20,000 diapers to provide to local diaper banks and over 18,000 school supplies for local teachers.

The more significant accounting policies and procedures of the Organization are more fully described below.

A. Basis of Accounting

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting.

B. Financial Statement Presentation

The accompanying financial statements have been prepared so that the presentation of the financial statements will conform to the presentation requirements of FASB ASC 958 Financial Statements of Not-for-Profit Organizations. Under FASB ASC 958, UWCC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

C. Public Support and Revenue

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 time period in which the contribution is received, the Organization reports the support as unrestricted.

United Way of Eastern New Mexico
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give in subsequent years are reflected as long term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. The majority of the promises to give are received from a broad base of Curry and Roosevelt Counties contributors as a result of the annual campaign. An allowance for uncollectible promises is provided based on management's valuation of potential uncollectible promises receivable at year end.

Contributed property and equipment are recorded at fair value at the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support.

D. Assets, Liabilities and Net Assets

Cash and Cash Equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents. Foundation cash and investments are considered to be permanently restricted. Cash balances are maintained in several financial institutions which, at times, may exceed federally insured limits

Investments: Accordingly to FASB ASC 958, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Changes in the fair value of these investments represent unrealized gains or losses and are recorded in Consolidated Statements of Activities as a component of investment return.

Investments consist of certificates of deposit and mutual funds. The certificates of deposits range in maturity from six months to 12 months. Interest is accrued as of year end. The certificates of deposit are recorded at cost, which approximates fair value. The mutual funds are stated at fair market value. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Receivables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The allowance as of December 31, 2017 was \$22,932.

United Way of Eastern New Mexico
NOTES TO THE FINANCIAL STATEMENTS
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Equipment and Depreciation: Equipment is capitalized at cost. It is the Organization's policy to capitalize expenses for items with useful lives greater than one year and costs over \$500. Additions and replacements that improve or extend the estimated economic useful lives of existing assets are also capitalized. All other items are expensed as incurred. Donated fixed assets are recorded at estimated fair market value if they have an estimated fair market value in excess of \$500 at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

<u>Assets</u>	<u>Years</u>
Equipment	3-15

Accrued Expenses: Accrued expenses are comprised of the payroll expenses based on amounts earned by the employees through December 31, 2017, along with FICA and Medicare payable.

Net Assets Classification Policies and Procedures:

According to FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets:

- a. Unrestricted- represents revenues and expenses related to the operations and management of the Organization's primary programs and supporting services of which no donor-imposed restrictions have been imposed.
- b. Temporarily restricted- represents donations and awards received by the Organization in which the donor has placed a time or purpose restriction on the donation. Included in temporarily restricted net assets are any gains or revenues earned on restricted assets where the donor has placed a restriction of time or purpose on such earnings. When the terms of the restrictions are met, the temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the Consolidated Statements of Activities as net assets released from restriction.
- c. Permanently restricted – represents donations and awards received in which the donor has placed a restriction that neither expires by the passage of time nor can be fulfilled or otherwise removed by actions of the organizations.

E. Income Taxes

United Way of Eastern New Mexico Inc is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code.

United Way of Eastern New Mexico
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2017

F. Estimates

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

Note 2 Concentration of Credit Risk

The Organization maintains its cash accounts at commercial banks located in Roswell, New Mexico. Accounts for each bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account.

donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support 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 and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expiration of donor restrictions when the donated or accrued assets are placed in service as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Note 3 Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization. Contributions are reported as increases in unrestricted, temporarily, or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on gross campaign totals utilizing prior years' experience and management's analysis of specific promises made. Unconditional promises to give at December 31, 2017 is as follows:

Unconditional promises to give	\$ 545,194
Less: Allowance for uncollectible promises	(22,932)

Net Unconditional promises to give	\$ 522,262
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United Way of Eastern New Mexico
NOTES TO THE FINANCIAL STATEMENTS
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Note 4 Depreciation

Depreciation expense for the year ended December 31, 2017 was \$1,170.

Note 5 Employee Benefit Plan

408(P)- United Way participates in a 408(P), simple plan IRA through Edward Jones. The employees can contribute any percentage as long as the total dollar amount does not go over the legal IRS amount. United Way will match up to 3% of the volunteered employee annual salary. New Employees can enroll during the standard enrollment period, which is in December. Employer contributions of \$2,268 were made to the plan for the period ending December 31, 2017.

Compensated absences – Full time employees accrue 1.44 hours of vacation time per pay period. They can carry over 37.5 hours to the next year. Anything beyond that will be forfeited. Upon termination the employee will be paid any unused vacation time.

Sick Leave – Full time employees accrue 2.88 hours of sick leave per pay period. Upon termination the employee will forfeit any unused sick leave.

Note 6 Related Party Transactions

The Organization allows its employees to make payroll deductions for the benefit of the United Way of Eastern New Mexico, Inc.

Note 7 Functional Expenses

The costs of the Organization's program and supporting services are reported on a functional basis. Program services are those directly related to the purposes of the agencies, and supporting services are those not directly related to program services. Reporting on a functional basis required the allocation of certain costs among the various programs and supporting services based upon estimates.

Note 8 Subsequent Events

The Organization has evaluated events subsequent to December 31, 2017 that would require adjustment or disclosure in these financial statements, through August 18, 2018, the date these statements were available to be issued. There were no events identified that require adjustment or disclosure as of December 31, 2017.