



**United Way of North
Central New Mexico**

FINANCIAL STATEMENTS

JUNE 30, 2024 and 2023

INDEPENDENT AUDITORS' REPORT

Board of Directors
United Way of North Central New Mexico

Opinion

We have audited the accompanying financial statements of United Way of North Central New Mexico (UWNCNM) (a non-profit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, cash flows and functional expenses for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of UWNCNM as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UWNCNM and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the UWNCNM's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits 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 UWNCNM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the UWNCNM's ability to continue as a going concern for a reasonable period-of-time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

PULAKOS CPAs, PC

Pulakos CPAs, PC

October 23, 2024

United Way of North Central New Mexico

STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 8,997,750	\$ 9,802,119
Investment held with Albuquerque Community Foundation	2,881,224	2,919,093
Investments in marketable securities	1,265,829	614,788
Pledges receivable, net of noncurrent portion and allowance for uncollectible pledges of \$122,795 and \$152,288 as of June 30, 2024 and 2023, respectively	4,120,662	4,511,978
Non-campaign receivable, amounts processed on behalf of others, net of allowance for uncollectible pledges of zero as of June 30, 2024 and 2023, respectively	159,950	149,787
Grant and other receivables	24,431	779,873
Prepaid expenses and other current assets	174,254	163,834
Total current assets	17,624,100	18,941,472
Pledges receivable, noncurrent	75,000	90,000
Property and equipment, net	184,294	191,113
Operating lease right-of-use assets, net	1,045,019	1,123,021
Planned giving assets	3,512,656	3,118,341
Other assets	89,120	128,572
Total assets	\$ 22,530,189	\$ 23,592,519
<u>Liabilities and Net Assets</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 441,158	\$ 395,238
Operating lease liability, current portion	163,097	156,816
Donor options payable	2,407,533	2,443,963
Non-campaign payable, amounts processed on behalf of others	164,577	171,914
Total current liabilities	3,176,365	3,167,931
Long-term liabilities		
Operating lease liability, noncurrent portion	909,065	986,095
Planned giving liability	447,005	429,175
Total long-term liabilities	1,356,070	1,415,270
Total liabilities	4,532,435	4,583,201
Net assets		
Without donor restrictions	9,617,153	10,503,457
With donor restrictions	8,380,601	8,505,861
Total net assets	17,997,754	19,009,318
Total liabilities and net assets	\$ 22,530,189	\$ 23,592,519

United Way of North Central New Mexico

STATEMENT OF ACTIVITIES

Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Campaign results			
2022 campaign	\$ -	\$ 255,940	\$ 255,940
2023 campaign	-	11,497,527	11,497,527
2024 and future campaigns	-	920,061	920,061
Total campaign	-	12,673,528	12,673,528
Estimated uncollectible pledges	-	(154,330)	(154,330)
Net campaign	-	12,519,198	12,519,198
Donor option amounts (designations)	-	(6,885,929)	(6,885,929)
Campaign contributions released from restriction	6,043,028	(6,043,028)	-
Total campaign revenue after release	6,043,028	(409,759)	5,633,269
Other revenues and support			
In-kind contributions	650,155	-	650,155
Programmatic and grant revenue	203,607	620,028	823,635
Interest	63,240	-	63,240
Planned giving activity	977,160	-	977,160
Other revenue	1,260,490	-	1,260,490
Other revenue and support released from restriction	335,529	(335,529)	-
Total revenues	9,533,209	(125,260)	9,407,949
Support service expenses			
Fundraising	2,180,455	-	2,180,455
Management	781,193	-	781,193
Total support service expenses	2,961,648	-	2,961,648
Program			
Grants and distributions			
Education, health, and financial stability	2,584,575	-	2,584,575
Community investment projects	35,062	-	35,062
DEI United	175,000	-	175,000
Other	852,500	-	852,500
Rising Together	653,376	-	653,376
Other initiatives	1,446,961	-	1,446,961
Program services	1,023,118	-	1,023,118
Total program expenses	6,770,592	-	6,770,592
Other expenses			
In-kind expenses	650,155	-	650,155
Co-branding and event sponsorships	37,118	-	37,118
Total other expenses	687,273	-	687,273
Total distributions and expenses	10,419,513	-	10,419,513
Change in net assets	(886,304)	(125,260)	(1,011,564)
Net assets, beginning of year	10,503,457	8,505,861	19,009,318
Net assets, end of year	\$ 9,617,153	\$ 8,380,601	\$ 17,997,754

United Way of North Central New Mexico

STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restriction	Total
Campaign results			
2021 campaign	\$ -	\$ 245,184	\$ 245,184
2022 campaign	-	12,329,702	12,329,702
2023 and future campaigns	-	833,048	833,048
Total campaign	-	13,407,934	13,407,934
Estimated uncollectible pledges	-	(303,856)	(303,856)
Net campaign	-	13,104,078	13,104,078
Donor option amounts (designations)	-	(7,517,179)	(7,517,179)
Campaign contributions released from restriction	6,223,608	(6,223,608)	-
Total campaign revenue after release	6,223,608	(636,709)	5,586,899
Other revenues and support			
In-kind contributions	702,182	-	702,182
Programmatic and grant revenue	-	567,420	567,420
Interest	289,999	-	289,999
Planned giving activity	751,697	-	751,697
Other revenue and support released from restriction	2,629,175	(2,629,175)	-
Total revenues	10,596,661	(2,698,464)	7,898,197
Support service expenses			
Fundraising	2,015,282	-	2,015,282
Management	726,823	-	726,823
Total support service expenses	2,742,105	-	2,742,105
Program			
Grants and distributions			
Education, health, and financial stability	1,350,315	-	1,350,315
Community investment projects	216,611	-	216,611
Basic Needs	551,294	-	551,294
DEI United	1,625,279	-	1,625,279
Other	633,072	-	633,072
Rising Together	415,337	-	415,337
Other initiatives	1,529,454	-	1,529,454
Program services	1,221,248	-	1,221,248
Total program expenses	7,542,610	-	7,542,610
Other expenses			
In-kind expenses	702,182	-	702,182
Co-branding and event sponsorships	68,775	-	68,775
Total other expenses	770,957	-	770,957
Total distributions and expenses	11,055,672	-	11,055,672
Change in net assets	(459,011)	(2,698,464)	(3,157,475)
Net assets, beginning of year	10,962,468	11,204,325	22,166,793
Net assets, end of year	<u>\$ 10,503,457</u>	<u>\$ 8,505,861</u>	<u>\$ 19,009,318</u>

United Way of North Central New Mexico

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2024 and 2023

	2024	2023
Operating activities		
Change in net assets	\$ (1,011,564)	\$ (3,157,475)
Adjustments to reconcile change in net assets to net cash used by operating activities		
Net realized and unrealized gain on investments	(482,380)	(324,912)
Depreciation	70,256	61,978
Provision for uncollectible pledges	122,795	152,288
Net change in planned gift activity	(130,500)	(336,066)
Changes in operating assets and liabilities		
Receivables	1,028,800	2,409,167
Other assets	(3,167)	(19,497)
Accounts payable and accrued expenses	45,920	87,927
Donor options payable	(43,767)	(263,421)
Net cash used by operating activities	(403,607)	(1,390,011)
Investing activities		
Purchase of property and equipment	(63,437)	(89,968)
Proceeds from sale of investments	340,844	-
Purchase of investments	(678,169)	(603,000)
Net cash used by investing activities	(400,762)	(692,968)
Change in cash and cash equivalents	(804,369)	(2,082,979)
Cash and cash equivalents, beginning of year	9,802,119	11,885,098
Cash and cash equivalents, end of year	\$ 8,997,750	\$ 9,802,119

United Way of North Central New Mexico

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	Program				Total Program	Fundraising	Management	Total
	Grants and Distributions	Rising Together	Other Initiatives	Program Services				
Grants and distributions								
Education, health, and financial stability	\$ 2,584,575	\$ -	\$ -	\$ -	\$ 2,584,575	\$ -	\$ -	\$ 2,584,575
Community investment projects	35,062	-	-	-	35,062	-	-	35,062
DEI United	175,000	-	-	-	175,000	-	-	175,000
Other	-	239,500	613,000	-	852,500	-	-	852,500
Total grants and distributions	2,794,637	239,500	613,000	-	3,647,137	-	-	3,647,137
Operating expenses								
Bank service charges	-	-	-	4,489	4,489	4,040	449	8,978
Credit card charges	-	-	-	15,705	15,705	14,134	1,570	31,409
D&O and dishonesty insurance	-	-	-	23,206	23,206	20,885	2,321	46,412
Depreciation	-	-	-	8,782	8,782	50,058	11,416	70,256
Dues and subscriptions	-	2,712	1,554	22,570	26,836	20,463	2,257	49,556
Equipment rental	-	-	3,237	8,187	11,424	7,368	819	19,611
Occupancy	-	26,439	13,854	85,794	126,087	77,214	8,579	211,880
Office supplies	-	1,393	19,057	6,110	26,560	5,499	611	32,670
Payroll taxes and fringe benefits	-	61,810	238,296	101,834	401,940	289,920	132,855	824,715
Postage	-	-	252	3,567	3,819	3,210	357	7,386
Printing and marketing	-	-	5,912	43,920	49,832	39,610	4,392	93,834
Professional fees	-	175,314	90,052	174,356	439,722	198,462	18,604	656,788
Salaries and temporary labor	-	378,293	1,009,346	374,385	1,762,024	1,308,138	578,540	3,648,702
Telephone	-	270	41,685	22,667	64,622	22,020	2,267	88,909
Travel/meals	-	6,059	13,728	30,838	50,625	32,378	3,252	86,255
United Way Worldwide dues	-	-	-	84,628	84,628	76,165	8,463	169,256
Miscellaneous	-	-	-	8,079	8,079	7,271	4,041	19,391
Volunteer/staff recognition	-	1,086	9,988	4,001	15,075	3,620	400	19,095
Total operating expenses	-	653,376	1,446,961	1,023,118	3,123,455	2,180,455	781,193	6,085,103
Total functional expenses	\$ 2,794,637	\$ 892,876	\$ 2,059,961	\$ 1,023,118	\$ 6,770,592	\$ 2,180,455	\$ 781,193	\$ 9,732,240

See Notes to Financial Statements and Independent Auditors' Report.

United Way of North Central New Mexico

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2023

	Program				Total Program	Fundraising	Management	Total
	Grants and Distributions	Rising Together	Other Initiatives	Program Services				
Grants and distributions								
Education, health, and financial stability	\$ 1,350,315	\$ -	\$ -	\$ -	\$ 1,350,315	\$ -	\$ -	\$ 1,350,315
Community investment projects	216,611	-	-	-	216,611	-	-	216,611
Basic needs	551,294	-	-	-	551,294	-	-	551,294
DEI United	1,625,279	-	-	-	1,625,279	-	-	1,625,279
Other	26,352	1,220	605,500	-	633,072	-	-	633,072
Total grants and distributions	3,769,851	1,220	605,500	-	4,376,571	-	-	4,376,571
Operating expenses								
Bank service charges	-	-	-	13,573	13,573	12,216	1,357	27,146
Credit card charges	-	-	-	17,918	17,918	16,126	1,792	35,836
D&O and dishonesty insurance	-	-	-	20,285	20,285	18,256	2,028	40,569
Depreciation	-	6,538	-	6,930	13,468	39,501	9,009	61,978
Dues and subscriptions	-	3,484	1,545	13,949	18,978	12,554	1,395	32,927
Equipment rental	-	-	15,242	8,552	23,794	7,697	855	32,346
Occupancy	-	28,334	2,566	81,014	111,914	105,260	8,101	225,275
Office supplies	-	4,352	38,692	10,936	53,980	11,032	1,180	66,192
Payroll taxes and fringe benefits	-	55,712	132,543	164,425	352,680	171,380	138,099	662,159
Postage	-	-	916	6,116	7,032	5,504	612	13,148
Printing and marketing	-	2	27,102	60,298	87,402	64,904	6,030	158,336
Professional fees	-	77,879	97,146	165,755	340,780	168,976	17,761	527,517
Salaries and temporary labor	-	159,188	1,125,279	411,389	1,695,856	1,152,801	515,925	3,364,582
Telephone	-	456	39,141	25,217	64,814	24,106	2,522	91,442
Travel/meals	-	30,277	26,884	27,177	84,338	27,045	2,718	114,101
United Way Worldwide dues	-	-	-	124,854	124,854	93,675	12,970	231,499
Miscellaneous	-	49,115	22,398	31,697	103,210	56,203	1,353	160,766
Volunteer/staff recognition	-	-	-	31,163	31,163	28,046	3,116	62,325
Total operating expenses	-	415,337	1,529,454	1,221,248	3,166,039	2,015,282	726,823	5,908,144
Total functional expenses	\$ 3,769,851	\$ 416,557	\$ 2,134,954	\$ 1,221,248	\$ 7,542,610	\$ 2,015,282	\$ 726,823	\$ 10,284,715

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 1 – ORGANIZATION AND ADMINISTERED PROGRAMS

Organization

Headquartered in Albuquerque, United Way of North Central New Mexico (UWNCNM) serves the people of five counties: Bernalillo, Sandoval, Santa Fe, Torrance, and Valencia. Its mission is to bring people and resources together to measurably improve lives and strengthen our communities.

UWNCNM brings together donors, businesses, nonprofits, government and others to create better solutions to our community's challenges. Our programs and donor dollars ensure that individuals and families in North Central New Mexico have the opportunity to achieve potential through education, that they are healthy and safe, are financially stable and live life with dignity.

UWNCNM has a strong commitment to diversity, equity and inclusion and uphold the following values:

- We value the visible and invisible qualities that make you who you are.
- We welcome that every person brings a unique perspective and experience to advance our mission and progress our fight for the health, education and financial stability of every person in every community.
- We believe that each UWNCNM community member, donor, volunteer, advocate, and employee must have equal access to solving community problems.
- We strive to include diversity, equity and inclusion practices at the center of our daily work.

We commit to using these practices for our business and our communities.

Administered Programs

UWNCNM administers the following programs:

Community Investment Fund

The Community Investment Fund (the Fund) provides grants to qualifying health and human services agencies in north central New Mexico. The Fund advances the common good and works to create a stronger community. We provide grants in three areas: 1) impact grants that focus on educational attainment, family/housing stability and safety/well-being; 2) basic needs grants that support emergent needs, such as food and emergency shelter; and 3) capacity building grants that improve a nonprofit's ability to fulfill its mission. Community investment fund expenses are presented under the impact grants, basic needs grants, and capacity building Grants headings in the statements of activities.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 1 – ORGANIZATION AND ADMINISTERED PROGRAMS – CONTINUED

Administered Programs – Continued

Donor Option Program

Donors have the option to designate contributions to any organization that is tax-exempt under Internal Revenue Code Section 501(c)(3). UWNCNM remits collected contributions on a monthly basis to the designated organizations. Donor option program expenses are presented under the Program Services heading in the statements of activities.

Rising Together

The Community Impact team works on projects that deliver Collective Impact to its service area. We call this body of work Rising Together and it focuses on the following topics: Healthy Beginnings and School Readiness, K-12 Learning, College/Career Readiness, Adults in Education and Family Resilience.

K-12 Learning: Attendance and Engagement

UWNCNM's Attendance Team Support Group (the Team, a collective impact team made up of community partners, school districts and the NM Public Education Department) offers in person conferences twice yearly and virtual workshops for school-based attendance teams statewide. The trainings offer tools and techniques teams can use to implement the Attendance for Success Act and reduce chronic absenteeism.

In February 2023, the Team organized an attendance conference with 340 participants from 25 New Mexico school districts. After the event, 85% of participants indicated that they felt more prepared to implement their attendance improvement plan at their school. In fall 2023, the Team hosted an attendance conference with 401 in-person participants and 82 livestream participants from 28 school districts around the state. After the event, 84% of participants said that they felt better about the direction of their attendance work and 88% said that they have a better understanding of what they need to do for attendance at their school.

College/Career Readiness: Valencia County Partnership for a Work Ready Community

Since 2017, UWNCNM's Valencia County Partnership for a Work Ready Community has been building a shared understanding of employers' needs so students can be better prepared for all possible opportunities after high school. The Partnership has worked with nearly 6,000 students, 153 teachers and 93 businesses. Projects include resume writing workshops, mock interviews, employer presentations, student videos of career explorations and hiring fairs at Los Lunas, Valencia and Century High Schools.

In the annual summer Teacher Academy, employers present to teachers the skills they look for when hiring. Participants come from Belen, Los Lunas, School of Dreams and Moriarty Edgewood schools. Consistently, nearly 90% of students say they have a better understanding of the skills needed in the workplace and 99% of teachers report a better understanding of what employers are looking for.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 1 – ORGANIZATION AND ADMINISTERED PROGRAMS – CONTINUED

Administered Programs – Continued

Adults in Education

Almost 300,000 adults in central New Mexico do not have a college degree or certificate. Research shows that, in addition to earning more, people with a higher education credential are more economically resilient and better able to survive economic downturns. Children of parents with post-high school education are more likely to complete high school and attain a credential themselves. UWNCNM works with schools, community organizations, employers and government to address barriers and create a system of support for adults who want to complete an educational credential but need help to do it.

Finish Line Fund

When higher education institutions place a hold on student accounts due to an unpaid balance, it can derail a student's course of study. A small amount due may prevent them from re-registering for their next semester. In partnership with CNM, UWNCNM established the Finish Line Fund to clear bursar holds on accounts with balances of \$500 or less, allowing students to continue to enroll in classes and complete their course of study. Funds are prioritized for students who are at 75% of completion of a degree or credential.

Higher Education Access & Success ECHO

This virtual network invites counselors, educational navigators, advisors, case managers, nonprofit staff and workforce development trainers to gain knowledge and connections to better support youth and adults on their higher education journeys. ECHO uses short presentations on case studies related to individual or systems issues, and peer-to-peer suggestions and sharing. An average of 34 participants representing eight higher education institutions, six city/state agencies, twenty nonprofits, eight secondary schools and three businesses attended monthly sessions.

Education-Friendly Workplace Initiative

The Education-Friendly Workplace Initiative encourages local businesses to expand support for employee educational pursuits. These may include upskilling through training and certifications, degree attainment, professional development and literacy courses.

Family Resilience

When children are homeless, the stress, trauma and academic disruptions they experience lead to problems in school, problems that can continue throughout life. When families have stable housing, they are better able to achieve their educational goals, leading to better employment and health outcomes. UWNCNM works to prevent family homelessness and school instability in partnership with the Siemer Family Foundation, ABC Community School Partnership and East Central Ministries through a preventative program for families who are one paycheck or emergency away from becoming homeless. Program participants enhance valuable skills that contribute to self-efficacy, such as financial literacy and resource attainment. This leads families to experience stability and thrive, a key outcome for Rising Together.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 1 – ORGANIZATION AND ADMINISTERED PROGRAMS – CONTINUED

Administered Programs – Continued

Tax Help New Mexico

Tax Help New Mexico provides free tax preparation to New Mexico households with an annual household income \$65,000 or less. 190 volunteers completed over 9,400 returns in 2024, saving New Mexico filers more than \$3.6 million in tax preparation fees. This program was responsible for returning over \$16.1 million in tax refunds/rebates to New Mexicans which allows families to build their financial stability and impacts New Mexico's economy. Tax Help New Mexico expenses are presented under the other initiatives heading in the statements of activities.

2-1-1

2-1-1 is the national abbreviated dialing code for free access to health and human services information and referrals. UWNCNM's 2-1-1 service is a comprehensive source for information about health and human services, government agencies and community-based organizations. UWNCNM's 2-1-1 service, which includes our phone service and webpage, receives more than 10,000 contacts annually. 2-1-1 (or 505-245-1735) is staffed by live agents between 8:30 a.m. and 4:30 p.m. MT Monday through Friday; an automated system fields calls after hours and on weekends and holidays. Services are available in over 240 different languages through a live interpretation line, and a Spanish Bilingual Navigator. Callers whose needs are not met by the automated system can leave voicemail messages, which are responded to the next business day. 211 expenses are presented under the other initiatives heading in the statements of activities.

2-1-1/Connect

UWNCNM's 211 and the CONNECT network of the City of Santa Fe and Santa Fe County partner to strengthen the connections between the community and local resources. CONNECT is a network of navigators at clinics, community organizations and city and county programs that links local citizens with nonprofits to address social needs. In Santa Fe, 211 partners with the CONNECT program to support callers throughout the county to find needed resources. The helpline is available in English and Spanish from 8:30 am to 4:30 pm, Monday to Friday.

Donor Group Initiatives

UWNCNM also administers other initiatives through Hispano Philanthropic Society, Young Leaders Society, Women United and Guys Give. Donor Group members have identified women's self-sufficiency, middle-school youth, youth transitioning to adulthood and preventing family violence as areas for giving. Donor Group Grant Initiatives are gifts to the Fund. Donor Group Initiatives expenses are presented under the co-branding and event sponsorships heading in the statements of activities.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 1 – ORGANIZATION AND ADMINISTERED PROGRAMS – CONTINUED

Administered Programs – Continued

Family Advocacy Center

Established in 2007 to change the system of care for victims of domestic and interpersonal violence, the Family Advocacy Center (FAC) is a service for victims that offers a safe, secure and caring environment focused on the needs of victims of interpersonal crime. The FAC houses many different agencies working together under one roof. The unique design of the facility dramatically reduces the stress and trauma victims and their families often endure by giving them access to a wide range of support services at one location. Services include medical care, advocacy, legal and financial assistance, as well as law enforcement and prosecution. FAC expenses are presented under the other initiatives heading in the statements of activities.

DEI United

DEI United is a collaboration between UWNCNM and Albuquerque Community Foundation (ACF). A staff-driven committee from both organizations partner on internal and external activities that advance diversity, equity and inclusion in central New Mexico. We address three areas through DEI United: community engagement; funding for BIPOC-led (Black, Indigenous, People of Color-led) and lived-experience-led, nonprofit organizations addressing systemic inequities; and leadership and equity development. DEI United expenses are presented under the other initiatives heading in the statements of activities.

Ride United

Transportation to medical appointments, job interviews, or other necessary appointments is a challenge for many New Mexicans. When people don't have reliable transportation to allow them to take care of basic needs, the resulting compounding problems can trap families in the cycle of poverty. Operated through the 2-1-1 program, UWNCNM sponsors Ride United in Santa Fe County to provide complimentary Lyft rides for people who have no other options for transportation to critical appointments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of UWNCNM have been prepared in accordance with accounting principles generally accepted in the United States of America, which require UWNCNM to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of UWNCNM. These net assets may be used at the discretion of UWNCNM's management and the board of directors.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – Continued

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of UWNCNM or by the passage-of-time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Contributions and Revenue Recognition

All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Pledges for contributions for a campaign year are recorded as assets and restricted revenue when the pledges are received. Allocations to funded agencies are recognized as expenses in the period such allocations are made, generally the following year. Allocations are generally paid on a monthly installment basis throughout the year.

Pledges for which the donor stipulates the agency to receive the donation (Donor Option Program) are recorded as assets (donor options receivable) and liabilities (donor options payable) when the pledges are received. They are included in campaign results but are not considered revenue of UWNCNM and are reflected as donor option amounts (designations) in the accompanying financial statements.

The provision for uncollectible pledges is computed based upon a three-year historical average adjusted by management estimates of current economic factors. It is applied to the gross campaign including donor option pledges.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributed Services

Approximately 848 volunteers have donated over 20,292 hours of their time in the furtherance of UWNCNM's activities. The value of this contributed time is not reflected in these statements because it does not meet the criteria for recognition under accounting principles generally accepted in the United States of America.

Donated Services

Contributed services are recognized if the services received create or enhance non-financial assets, require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed services are recorded at the fair value of the services received as determined by the donor. For the years ended June 30, 2024 and 2023, UWNCNM received and recognized \$650,155 and \$702,182, respectively, of donated services. The recognized donated services included advertising and other professional services related to the programs, fundraising, and management and general operations of UWNCNM.

Property and Equipment

Property and equipment is recorded at cost or estimated fair value at date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. UWNCNM capitalizes items over \$1,000 over the estimated useful life of the assets, which ranges from 3 to 30 years.

Income Taxes

UWNCNM is a nonprofit organization and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not classified by the Internal Revenue Service as a private foundation.

UWNCNM has adopted generally accepted accounting principles as they relate to uncertain tax positions and has evaluated its tax positions taken for open tax years. Management believes that all activities of UWNCNM are within their tax-exempt purpose and that there are no uncertain tax positions. Any interest and penalties recognized associated with a tax position are classified as current in UWNCNM's financial statements. There were no interest or penalties recorded as of June 30, 2024 and 2023, respectively.

Financial Instruments

The carrying amounts of cash, receivables, payables and accrued expenses approximate fair value due to the short maturity periods of these instruments.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements

Accounting Standards Codification Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 – Unadjusted quoted prices in active markets for identical investments that UWNCNM has the ability to access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, inputs other than observable quoted prices, or inputs derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Planned Giving

UWNCNM has been named as a trustee or owner in several planned giving agreements. Some of the agreements stipulate UWNCNM as the beneficiary of the agreement while others require UWNCNM to distribute the trust assets or life insurance death benefits upon the death of the donor and therefore, UWNCNM has recorded a liability equal to the fair market value of these assets. The fair market value of these trust liabilities was \$447,005 and \$429,175 as of June 30, 2024 and 2023, respectively. UWNCNM has a Planned Giving Committee which provides planned giving opportunities to donors and establishes and executes planned giving initiatives. They also establish and execute gift acceptance policies. Policy decisions made by this committee are moved to the finance committee for further approval before moving to the Board of Directors for final approval.

Expense Allocation

The cost of providing the various programs and all other activities has been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, expense require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, office, salaries and wages, benefits, payroll taxes, and professional services.

New Accounting Standards

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13 or ASC 326). ASU 2016-13 revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions and reasonable and supportable forecasts about collectability. Assets must be presented in the financial statements at the net amount expected to be collected. The FASB has subsequently issued additional ASUs amending certain aspects of ASU 2016-13.

On July 1, 2023, UWNCNM adopted the new accounting standard and all of the related amendments using the modified retrospective method, which did not result in any adjustment to the opening balance of net assets.

Subsequent Events

UWNCNM has evaluated all events occurring subsequent to June 30, 2024 and through October 23, 2024, which is the date that the financial statements were issued and does not believe that any events occurring during this period require either recognition or disclosure in the accompanying financial statements.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

	<u>2024</u>	<u>2023</u>
Financial assets:		
Cash and cash equivalents	\$ 8,997,750	\$ 9,802,119
Investment held with ACF	2,881,224	2,919,093
Investments in marketable securities	1,265,829	614,788
Campaign pledges receivable, net	4,195,662	4,601,978
Non-campaign and other receivables, net	<u>184,381</u>	<u>929,660</u>
Total financial assets	17,524,846	18,867,638

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS – CONTINUED

	2024	2023
Financial assets not available for use within one year:		
Unpaid donor designations	2,407,533	2,443,963
Non-campaign receivables, net	159,950	149,787
Pledges receivable, non-current	75,000	90,000
Net assets with donor restrictions subject to purpose restrictions	5,294,623	4,581,686
Total financial assets not available for use within one year	7,937,106	7,265,436
Financial assets available to meet cash needs for general expenditure within one year from June 30, 2024 and 2023	\$ 9,587,740	\$ 11,602,202

UWNCNM manages its cash flow and liquidity on an on-going basis to ensure that sufficient funds are available to meet operational needs as well as impact grant obligations. UWNCNM's general goal is to maintain a level of liquid financial assets and net receivables sufficient to cover 6 months' worth of operating expenses and impact grants. As part of the liquidity plan, UWNCNM is continuously evaluating the amount of cash on hand and expected to be collected within 180 days, against current financial obligations.

NOTE 4 – PROPERTY AND EQUIPMENT

	2024	2023
Equipment	\$ 774,716	\$ 733,773
Leasehold improvements	417,567	395,073
Furniture and fixtures	291,237	291,237
	1,483,520	1,420,083
Less accumulated depreciation	(1,299,226)	(1,228,970)
	\$ 184,294	\$ 191,113

NOTE 5 – CAMPAIGN REVENUES COLLECTED ON BEHALF OF OTHERS

UWNCNM acts as an agent, collecting and processing contributions on behalf of other local United Way chapters in the United States. Amounts receivable of \$159,950 and \$149,787 and payable of \$164,577 and \$171,914 as of June 30, 2024 and 2023, respectively, are included in the accompanying statements of financial position. These contributions are not counted in the UWNCNM campaign results as they are counted in the communities where they are raised.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

UWNCNM restricts net assets based upon time and initiative restrictions. Net assets with donor restrictions as of June 30, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose:		
Impact Area Restrictions	\$ 2,539,394	\$ 2,111,295
Women United/Young Leaders/ Hispano Philanthropic Society/ Rising Together	796,458	371,135
Family Advocacy Center	83,716	47,094
NoVo Foundation	<u>1,875,055</u>	<u>2,052,501</u>
	5,294,623	4,582,025
Subject to the passage-of-time:		
Undesignated pledges receivable and certain planned giving assets	<u>3,085,978</u>	<u>3,923,836</u>
	<u>\$ 8,380,601</u>	<u>\$ 8,505,861</u>

Releases of net assets with donor restrictions consist generally of collections of pledges and expenditures of funds in accordance with donor and grant stipulations.

NOTE 7 – CORPORATE CORNERSTONE RECOGNITION PROGRAM

Under the Corporate Cornerstone Recognition Program, donations from local corporations and individuals who choose to participate in the program are appropriated by UWNCNM's Board of Directors to fund the fundraising and general operational and administrative costs of UWNCNM, as well as several other initiatives. Annually, total donations raised from this program are allocated to fund UWNCNM's operational budget and the Center for Non-Profit Excellence. After these allocations have been made, any remaining funds are designated to Impact, Basic Needs and Capacity Building grants. During 2016, the Board of Directors voted to modify the Donor Option Program in response to contributions from the Corporate Cornerstone Recognition Program not being sufficient to fund UWNCNM's administrative expenses. Beginning with the 2016 campaign, when a donor designates 10% of their annual contribution to support the work of United Way, 100% of their remaining designated contributions will be passed through. If they elect not to designate 10% to UWNCNM, then 10% of their designations will be deducted to cover administrative cost when their designations are passed through.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 8 – TRANSFERS OF ASSETS TO RECIPIENT ORGANIZATIONS

UWNCNM transfers certain gifts from donors to the ACF. Under the terms of an agreement between UWNCNM and ACF, UWNCNM holds variance power over these assets. ACF keeps separate records of the activity and performance of each of these assets within UWNCNM's total asset pool. Annually, UWNCNM requests distributions of these assets from ACF according to the agreements between UWNCNM and the initial donors. As of June 30, 2024 and 2023, UWNCNM had transferred \$5,409,289 and \$5,087,009, respectively, of these assets to ACF, which are included in the investment with ACF and planned giving assets balances of the accompanying statements of financial position.

NOTE 9 – FAIR VALUE MEASUREMENT

The following tables present the fair value hierarchy for those assets measured at fair value on a recurring basis as of June 30, 2024 and 2023.

<u>Description - 2024</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment with ACF	\$ 2,881,224	\$ -	\$ -	\$ 2,881,224
Investments in				
marketable securities	1,265,829	1,265,829	-	-
Planned giving assets	3,512,656	-	970,255	2,542,401
Other assets	22,453	-	-	22,453
	<u>\$ 7,682,162</u>	<u>\$ 1,265,829</u>	<u>\$ 970,255</u>	<u>\$ 5,446,078</u>
<u>Description - 2023</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment with ACF	\$ 2,919,093	\$ -	\$ -	\$ 2,919,093
Investments in				
Marketable securities	614,788	614,788	-	-
Planned giving assets	3,118,341	-	931,351	2,186,990
Other assets	21,905	-	-	21,905
	<u>\$ 6,674,127</u>	<u>\$ 614,788</u>	<u>\$ 931,351</u>	<u>\$ 5,127,988</u>

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at June 30, 2024.

Investment with ACF and Other assets: Valued at net realizable value, as determined by the quoted prices as provided by the investment manager, which pools all funds and allocates investment activity to each fund accordingly.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 9 – FAIR VALUE MEASUREMENT – CONTINUED

Investments in marketable securities: Fair value determined using the closing price of the traded security at the statements of financial position date.

Planned giving assets: Valued at the quoted prices as provided by the investment manager, which pools all funds and allocates investment activity to each fund accordingly or the present value of future cash flows using a stated discount rate for insurance policies.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Level 3 Investments

The following tables present the UWNCNM's activities for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2024 and 2023:

Level 3 activity is as follows:

	<u>2024</u>	<u>2023</u>
Beginning balances	\$ 5,127,988	\$ 4,420,413
Contributions	346,994	457,280
Interest and dividend income	96,003	37,194
Realized and unrealized gains	314,020	246,362
Distributions and fees	<u>(438,927)</u>	<u>(33,261)</u>
Ending balances	<u>\$ 5,446,078</u>	<u>\$ 5,127,988</u>

NOTE 10 – LEASING ACTIVITIES

UWNCNM leases its primary corporate office under a lease agreement with a related party, which calls for monthly rent payments of \$12,859, and expires in February 2026. The lease contains two five-year options for extension. UWNCNM also leases various office space and equipment under short term operating lease agreements. These agreements expire at various dates through March 2026 and call for monthly payments of \$488-\$1,667. Included in the determination of the right-of-use assets and lease liabilities are any renewal options when the options are reasonably certain to be exercised.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 10 – LEASING ACTIVITIES – CONTINUED

UWNCNM has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases and does not recognize the asset and liability for these leases. Operating lease expense is recognized on a straight-line basis.

Maturities of lease liabilities of operating leases are as follows for fiscal years ending June 30:

2025	\$	180,993
2026		180,041
2027		177,136
2028		178,136
2029		158,303
Thereafter		<u>257,173</u>
Total lease payments		1,131,782
Less: interest		<u>(59,620)</u>
Present value of lease liability	\$	<u>1,072,162</u>

Total lease expense was \$224,238 and \$225,275 in 2024 and 2023, respectively, which includes miscellaneous period expenses that do not pertain to the calculation of the right of use asset and operating lease liability.

At June 30, 2024 and 2023, the weighted average remaining lease term in years was 6.42 and 7.52, respectively.

The weighted-average discount rate is based on the discount rate implicit in the lease. UWNCNM has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. At June 30, 2024 and 2023, the weighted average discount rate was 1.79% and 1.54%, respectively.

UWNCNM recorded an in-kind contribution for below market rent of \$125,437 and \$152,391 in 2024 and 2023, respectively, related to the lease of its primary corporate offices. In-kind rent is computed as the difference between the market price per square foot and the contract price in the lease.

United Way of North Central New Mexico

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Defined Contribution Plan

All UWNCNM employees are eligible to participate in a 403(b) defined contribution plan administered by Bank of Albuquerque Financial. Eligibility is attained upon the first day of the month after hire, provided the employee is at least 21 years of age. Employees can contribute compensation to the Plan, subject to IRS restrictions. UWNCNM matches the first 3% of all employee contributions, with these matching contributions vesting immediately. Total expenses incurred by UWNCNM with regard to this Plan were \$214,905 and \$173,637 in 2024 and 2023, respectively.

Concentrations of Risk

UWNCNM maintains cash balances in financial institutions that at times exceed federally insured limits. Management regularly monitors the financial institutions with balances in excess of insured limits to manage the risk of loss.