



**United Way of Eastern New Mexico, Inc.**  
Clovis, New Mexico

**Annual Financial Report**  
December 31, 2016

**De'Aun Willoughby CPA, PC**  
Certified Public Accountant  
Clovis, New Mexico



**United Way of Eastern New Mexico, Inc.**  
Table of Contents  
For the Year Ended December 31, 2016

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	<u>Page</u>
Official Roster.....	3
Independent Auditor's Report.....	4

**Financial Section**

Basic Financial Statements	
Statements of Financial Position.....	5
Statement of Activities and Changes in Net Assets.....	6
Statements of Functional Expenses.....	7
Statement of Cash Flows.....	8
Notes to Financial Statements.....	9-12

**United Way of Eastern New Mexico, Inc.**

Official Roster

December 31, 2016

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**Executive Committee**

Casey Peacock	President
Kathy Spears	Vice President
Edward Lucero	Secretary
John Ellis	Treasurer
Steve Vernon	Campaign Chairman
Patrice Caldwell	Fund Distribution Chairperson
April Goff	Campaign Chairman Elect
Tom Martin	2-1-1 Chairman
Daniel Brashears	Past President

**Administration**

Erinn Burch	Executive Director
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# De'Aun Willoughby CPA, PC

Certified Public Accountant

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(855) 253-4313

## Independent Auditor's Report

Executive Committee and Administration  
United Way of Eastern New Mexico, Inc.

We have audited the accompanying financial statements of United Way of Eastern New Mexico (a non-profit organization), which comprise the statements of financial position as of December 31, 2016, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to United Way of Eastern New Mexico's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the United Way of Eastern New Mexico's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 as of December 31, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*De'Aun Willoughby* CPA PC

Clovis, New Mexico

June 15, 2017

**United Way of Eastern New Mexico, Inc.**

Statement of Financial Position

December 31, 2016

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Assets	
Cash and cash equivalents	\$ 373,732
Investments	22,157
Receivables	
Pledges receivable, net	240,703
Miscellaneous	15,216
Prepaid expenses	5,802
Capital Assets, net	<u>3,029</u>
 Total Assets	 \$ <u><u>660,639</u></u>
 Liabilities and Net Assets	
Liabilities	
Accounts Payable	\$ 2,250
Accrued Salaries and Benefits	8,807
Donor Option Payable	<u>85,740</u>
Total Liabilities	<u>96,797</u>
 Net Assets	
Unrestricted	258,195
Temporarily Restricted	299,489
Permanently Restricted	<u>6,158</u>
Total Net Assets	<u>563,842</u>
	 \$ <u><u>660,639</u></u>

The accompanying notes are an integral part of these financial statements

**United Way of Eastern New Mexico, Inc.**  
Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Campaign Results				
Older Campaigns	\$ 2,889	\$ 0	\$ 0	\$ 2,889
2015/16 Campaign	0	573,489	0	573,489
Pledged in the Prior Year	0	(304,032)	0	(304,032)
2016/17 Campaign	0	306,085	0	306,085
Total Campaign	2,889	575,542	0	578,431
Estimated uncollectible pledges	0	(24,702)	0	(24,702)
Net Campaign	2,889	550,840	0	553,729
Campaign contributions released from restriction	595,276	(595,276)	0	0
	<u>598,165</u>	<u>(44,436)</u>	<u>0</u>	<u>553,729</u>
Other Revenues				
Special events	30,761	18,106	0	48,867
Community events	5,144	0	0	5,144
Restricted Contribution	57,726	0	0	57,726
Interest	481	0	6	487
In kind contributions	99,084	0	0	99,084
Miscellaneous	67,848	0	0	67,848
Total Other Revenues	<u>261,044</u>	<u>18,106</u>	<u>6</u>	<u>279,156</u>
Total Revenues	<u>859,209</u>	<u>(26,330)</u>	<u>6</u>	<u>832,885</u>
Program Expenses	145,388	0	0	145,388
Program Expenses--In-kind	57,486	0	0	57,486
Allocations, Distributions and Expenses to Agencies and Individuals	416,339	0	0	416,339
	<u>619,213</u>	<u>0</u>	<u>0</u>	<u>619,213</u>
Support Expenses				
Fundraising	55,949	0	0	55,949
Fundraising-In-kind	38,598	0	0	38,598
Management	78,908	0	20	78,928
Management-In-kind	3,000	0	0	3,000
Total Support Expenses	<u>176,455</u>	<u>0</u>	<u>20</u>	<u>176,475</u>
Total Expenses	<u>795,668</u>	<u>0</u>	<u>20</u>	<u>795,688</u>
Change in Net Assets	63,541	(26,330)	(14)	37,197
Net Assets at Beginning of Year	<u>194,654</u>	<u>325,819</u>	<u>6,172</u>	<u>526,645</u>
Net Assets at End of Year	<u>\$ 258,195</u>	<u>\$ 299,489</u>	<u>\$ 6,158</u>	<u>\$ 563,842</u>

The accompanying notes are an integral part of these financial statements

**United Way of Eastern New Mexico, Inc.**  
Statement of Functional Expenses  
For the Year Ended December 31, 2016

	Total	Program	Management	Fund-raising
Salaries	\$ 134,027	\$ 87,118	\$ 28,146	\$ 18,763
Employee Benefits	3,457	2,247	726	484
Payroll Taxes	10,151	6,598	2,132	1,421
Professional Services	31,235	0	31,235	0
Office Supplies	10,448	4,179	2,090	4,179
Postage	1,853	371	741	741
Printing	6,516	1,303	0	5,213
Information Technology	5,558	3,613	1,167	778
Office Rent	7,800	5,070	1,638	1,092
Utilities	287	187	60	40
Telephone	3,738	2,430	785	523
Travel and Mileage	7,177	4,665	1,507	1,005
Conferences, Conventions and Meetings	7,930	5,155	0	2,775
Payments to Affiliates	5,588	3,632	1,173	783
Insurance	5,028	0	5,028	0
Campaign Events	13,741	0	0	13,741
Community Events	8,793	8,793	0	0
Awards, Gifts and Events	6,180	2,472	0	3,708
Bank Fees	1,867	0	1,867	0
Dues and Subscriptions	1,865	1,231	0	634
Miscellaneous	495	322	104	69
Depreciation	529	0	529	0
211 Expenses	6,002	6,002	0	0
Repairs and Maintenance	0	0	0	0
Fees	0	0	0	0
	<u>\$ 280,265</u>	<u>\$ 145,388</u>	<u>\$ 78,928</u>	<u>\$ 55,949</u>

The accompanying notes are an integral part of these financial statements

**United Way of Eastern New Mexico, Inc.**  
Statement of Cash Flows  
For the Year Ended December 31, 2016

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Cash Flows from Operating Activities	
Change in Net Assets	\$ 37,197
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities	
Depreciation	529
Changes in Assets and Liabilities	
Receivables	(19,596)
Prepaid Expenses	2,307
Accounts Payable	(4,493)
Accrued Salaries and Benefits	1,340
Donor Option Payables	(14,372)
Net Cash Provided by Operating Activities	<u>2,912</u>
Cash Flows from Capital & Related Financing Activities	
Purchase of Capital Assets	<u>(1,394)</u>
Net Cash Provided (used) by Capital & Related Financing Activities	<u>(1,394)</u>
Net Increase (Decrease) in Cash	1,518
Cash and Cash Equivalents at Beginning of Year	<u>394,371</u>
Cash and Cash Equivalents at End of Year	<u>\$ 395,889</u>

The accompanying notes are an integral part of these financial statements



**United Way of Eastern New Mexico, Inc.**  
Notes to the Financial Statements  
December 31, 2016

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**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 for distribution 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

On March 31, 1971 Curry County United Fund, Inc. was 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 program:

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 (c)(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 first Veteran Stand Down--a resource event specifically to address the needs of veterans.

United Way's Successful You Career Closet assisted 36 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 2016, 400 volunteers were engaged in activities at 10 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 program was brought to 840 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 8 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 1593 callers in 2016, referring them to local/regional services. 2-1-1 published the Summer Activity Guide (a FREE directory of activities for children and families) distributing 10,000 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 131 households who were facing eviction and utility cutoff. 2-1-1 helped 147 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 15,000 diapers to provide to local diaper banks and over 6,500 school supplies for local teachers.

**United Way of Eastern New Mexico, Inc.**  
Notes to the Financial Statements  
December 31, 2016

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*Campaign Year.* United Way's campaign year traverses two calendar years. The 2015 Campaign, which is the bulk of activity for the 2015 year, began in October 2014 and will not be completely processed through the financial statements until 2016. This results in two campaign years being presented in the financial statements during any given year.

*Basis of Presentation.* United Way classified net assets and revenues, expenses, gains and losses based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of United Way and changes therein are classified and reported as follows:

Unrestricted net assets-net assets consists of an operating net asset and a board designated - response net asset. The operating net asset is entirely unrestricted and can be used as management and the board of directors deem appropriate. Unrestricted net assets may be designated for specific purposes by action of the board of directors.

Temporarily restricted net assets are resources received from activities and contributors which are designated to be expended in a specific manner or within a specified time. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets released from restrictions.

Permanently restricted net assets are net assets required to be maintained in perpetuity, with only the income used for operating activities, due to the donor imposed restrictions.

*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 temporarily 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 through the year.

Pledges for which the donor stipulates the agency to receive the donation (Donor Option Program) are recorded as assets (pledge receivable) and liabilities (designations payable) when the pledges are received. They are included in campaign results, but are not considered revenue and are reflected as amounts raised on behalf of others 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.

*Estimates.* The preparation of financial statements 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.

**United Way of Eastern New Mexico, Inc.**  
Notes to the Financial Statements  
December 31, 2016

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*Cash and Cash Equivalents.* For the purpose of the statements of cash flows, United Way considers all highly liquid instruments with original maturities of three months or less to be cash equivalents. Cash equivalents at December 31, 2015 consist of certificates of deposit.

*Concentrations of Risk.* Financial instruments that potentially subject United Way to concentrations of credit risk consisting of cash and cash equivalents with financial institutions. At times such amounts may exceed FDIC limits. United Way limits the amount of credit exposure with any one financial institution and believes that no significant credit risk exists with respect to cash and cash equivalents.

*Equipment.* United Way's policy is to capitalize disbursements for equipment in excess of \$500. Items with a cost of less than \$500 are expensed in the year of acquisition. Equipment is recorded at cost. Depreciation on equipment is calculated using the straight-line method over the estimated useful lives of the assets, which range from 5 to 10 years.

*Donated Services.* Contributed services are recognized if the services received create or enhance non-financial assets or 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 year ended December 31, 2015, United Way received and recognized \$53,491 of donated services. The recognized donated services included advertising and other professional services related to the programs, management and general operations of United Way.

*Functional Allocation of Expenses.* The costs of providing fund-raising activities, various programs and supporting services have been allocated to functions based on payroll hours, square footage utilized and/or actual expenses incurred in the statements of functional expenses. Accordingly, certain costs have been allocated among the fundraising activities, programs and supporting services benefited. United Way accounts for any joint activities by only allocating direct costs of joint activities which involve a fundraising element among the various functional categories if specific criteria are met. If the criteria are not met, the costs related to the joint activities are recorded solely as fundraising expense.

*Provisions for Federal Income Taxes.* United Way is exempt from federal and state income tax on related income under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3).

## **Note 2. Employee Benefit Plans**

**403b** - United Way participates in a 403b, a Simple IRA through Edward Jones. The employees can contribute any percent 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.

**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 no sick leave will be paid out.

**United Way of Eastern New Mexico, Inc.**  
Notes to the Financial Statements  
December 31, 2016

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**Note 3. Allocations of Costs**

For the year ended December 31, 2015, United Way incurred functional expenses of \$641,119, for informational materials and activities that included fund-raising appeals. The functional expenses include cash and in-kind expenses. Of those functional expenses \$68,001, were allocated to fund-raising expenses for December 31, 2015. \$493,912 were allocated to program and \$79,206 were allocated to management and general expense. None of these costs were incurred by joint activities involving a fundraising element.

**Note 4: Prepaid Expense**

Prepaid expenses consist of insurance premiums.

**Note 5. Lease Agreement**

United Way of Eastern New Mexico, Inc. entered into a lease agreement with Matt 25 Hope Center. Total rent paid for the year was \$7,800.

**Note 6. Risk Management**

Commercial insurance covers all losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year and for the three prior years. There are no claim liabilities at year end.

**Note 7. Surety Bonds**

The Directors and certain employees of United Way of Eastern New Mexico, Inc. are covered by a surety bond.

**Note 8. Related Party Transactions**

Directors on the Board and employees of United Way of Eastern New Mexico, Inc. are donors to United Way. These transactions are correctly considered arm's-length transactions since these related parties are subject to the same procedures as other donors.