

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

**2017**

▶ Do not enter social security numbers on this form as it may be made public.

**Open to Public Inspection**

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

Department of the Treasury  
Internal Revenue Service

**A** For the 2017 calendar year, or tax year beginning Jul 1, 2017, and ending Jun 30, 2018

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return/terminated  
 Amended return  
 Application pending

**C** Name of organization RIVER CITIES UNITED WAY  
 Doing business as \_\_\_\_\_  
 Number and street (or P.O. box if mail is not delivered to street address) \_\_\_\_\_ Room/suite \_\_\_\_\_  
P.O. BOX 966  
 City or town, state or province, and ZIP or foreign postal code  
LAKE HAVASU CITY, AZ 86405-0966

**D** Employer identification number 23-7373816  
**E** Telephone number (928) 855-6333  
**G** Gross receipts \$ 545,264.

**F** Name and address of principal officer:  
Lyn Demaret, PO Box 966, Lake Havasu City, AZ 86405

**H(a)** Is this a group return for subordinates?  Yes  No  
**H(b)** Are all subordinates included?  Yes  No  
 If "No," attach a list. (see instructions)  
**H(c)** Group exemption number ▶ \_\_\_\_\_

**I** Tax-exempt status:  501(c)(3)  501(c) ( ) ◀ (insert no.)  4947(a)(1) or  527

**J** Website: ▶ www.rivercitiesunitedway.org

**K** Form of organization:  Corporation  Trust  Association  Other ▶ \_\_\_\_\_

**L** Year of formation: 1970 **M** State of legal domicile: AZ

**Part I Summary**

Activities & Governance	<b>1</b>	Briefly describe the organization's mission or most significant activities: <u>River Cities United Way works with local agencies to advance the common good by creating opportunities for a good life for all in Mohave and La Paz</u>		
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	8
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	8
	<b>5</b>	Total number of individuals employed in calendar year 2017 (Part V, line 2a)	<b>5</b>	8
	<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b>	50
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0.
<b>b</b>	Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0.	
Revenue	<b>8</b>	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b>	Program service revenue (Part VIII, line 2g)	625,120.	503,213.
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	512.	2,809.
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	51,361.	39,242.
	<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	676,993.	545,264.
Expenses	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	137,950.	136,912.
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)		
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	200,624.	194,993.
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)	0.	
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>7,869.</u>		
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	159,801.	202,807.
	<b>18</b>	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	498,375.	534,712.
Net Assets or Fund Balances	<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	178,618.	10,552.
	<b>20</b>	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	<b>21</b>	Total liabilities (Part X, line 26)	613,336.	616,696.
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	97,457.	88,984.
		515,879.	527,712.	

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer: Lyn Demaret Date: 10/17/2018  
 Type or print name and title: Lyn Demaret, President/CEO

**Paid Preparer Use Only**

Print/Type preparer's name: Gene Newman Preparer's signature: \_\_\_\_\_ Date: \_\_\_\_\_  
 Check  if self-employed PTIN: P01440461  
 Firm's name ▶ Eugene W. Newman, CPA, PLLC Firm's EIN ▶ 20-4157364  
 Firm's address ▶ 5171 LINDELL RD UNIT 101A, LAS VEGAS, NV 89118 Phone no. (702) 252-4525

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

**FINANCIAL STATEMENTS**

**AND**

**INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED JUNE 30, 2018 AND 2017**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
River Cities United Way

We have audited the accompanying financial statements of River Cities United Way (an Arizona nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 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 the entity'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 entity'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 audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of River Cities United Way as of June 30, 2018, 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.

A handwritten signature in black ink that reads "Eugene W. Newman CPA". The signature is written in a cursive style and includes the letters "CPA" at the end.

Eugene W. Newman, CPA, PLLC  
Las Vegas, Nevada  
October 9, 2018

**RIVER CITIES UNITED WAY  
STATEMENTS OF NET POSITION  
As of June 30, 2018 and 2017**

**ASSETS**

	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - unrestricted operating	\$ 182,885	\$ 212,600
Cash and cash equivalents - unrestricted reserves	101,763	103,013
Investments	163,573	141,432
Pledges receivable, net	151,083	138,924
Othe current assets	-	-
Total Current Assets	<u>599,304</u>	<u>595,969</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land, property and equipment		
Furniture, fixtures and equipment	30,022	29,487
Campaign software	4,991	4,991
Less: Accumulated Depreciation	<u>(31,974)</u>	<u>(31,466)</u>
Net Property and equipment	<u>3,039</u>	<u>3,012</u>
<b>OTHER ASSETS</b>		
Real property donations	<u>14,353</u>	<u>14,353</u>
Total other assets	<u>14,353</u>	<u>14,353</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 616,696</u></u>	<u><u>\$ 613,334</u></u>

**RIVER CITIES UNITED WAY  
STATEMENTS OF NET POSITION  
As of June 30, 2018 and 2017**

**LIABILITIES AND NET POSITION**

	<u>2018</u>	<u>2017</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ (107)	\$ 1,040
Community care allocations payable	25,724	35,175
Donor designations payable	6,933	4,554
Accrued allocations	42,400	42,400
Other accrued liabilities	14,034	14,288
	<hr/>	<hr/>
Total Current liabilities	88,984	97,457
	<hr/>	<hr/>
<b>LONG-TERM LIABILITIES</b>	-	-
	<hr/>	<hr/>
Total Liabilities	88,984	97,457
	<hr/>	<hr/>
<b>NET POSITION</b>		
Net position - temporarily restricted	47,414	47,414
Net position - unrestricted	469,746	289,844
Current period net income	10,552	178,619
	<hr/>	<hr/>
Total net position	527,712	515,877
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 616,696</u>	<u>\$ 613,334</u>

**RIVER CITIES UNITED WAY**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended June 30, 2018**

	Unrestricted	Temporarily Restricted	Total 6/30/2018
<b>Revenues, gains and other support</b>			
<b>Gross campaign</b>		\$ 426,033	\$ 426,033
Less: donor designations		(6,933)	(6,933)
<b>Net campaign revenue</b>	-	419,100	419,100
In-kind contributions	20,603		20,603
Interest and dividend income	2,809		2,809
Special events	18,704		18,704
Bequests/wills/estates	-		-
United Way Initiatives	7,511		7,511
Direct service contributions	49,066		49,066
Unrealized gains	19,821		19,821
Other income	717		717
Net assets released from restriction	322,364	(322,364)	-
<b>Total unrestricted revenues, gains and other support</b>	441,595	96,736	538,331
<b>Expenses and losses</b>			
Allocations to agencies	129,979	-	129,979
Pledge loss expense	43,945	-	43,945
Functional expenses:			-
Fundraising	7,869	-	7,869
Program services	255,450	-	255,450
Management and general	85,350	-	85,350
<b>Total functional expenses</b>	348,669	-	348,669
National dues	5,186		5,186
<b>Total expenses and losses</b>	527,779		527,779
 Increase/(decrease) in net position	 (86,184)	 96,736	 10,552
<b>NET POSITION AT BEGINNING OF YEAR</b>	468,463	47,414	515,877
<b>PRIOR PERIOD ADJUSTMENT</b>	1,283	-	1,283
 <b>NET POSITION AT END OF YEAR</b>	 \$ 383,562	 \$ 144,150	 \$ 527,712

See Accompanying Notes and Independent Auditors' Report

**RIVER CITIES UNITED WAY**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended June 30, 2017**

	Unrestricted	Temporarily Restricted	Total 6/30/2017
<b>Revenues, gains and other support</b>			
<b>Gross campaign</b>		\$ 439,371	\$ 439,371
Less: donor designations		(9,754)	(9,754)
<b>Net campaign revenue</b>	<u>-</u>	<u>429,617</u>	<u>429,617</u>
In-kind contributions	15,545		15,545
Interest income	512		512
Special events	19,862		19,862
Bequests/wills/estates	123,340		123,340
United Way Initiatives	8,379		8,379
Direct service contributions	48,239		48,239
Unrealized gains	31,209		31,209
Other income	290		290
Net assets released from restriction	485,966	(485,966)	-
<b>Total unrestricted revenues, gains and other support</b>	<u>733,342</u>	<u>(56,349)</u>	<u>676,993</u>
<b>Expenses and losses</b>			
Allocations to agencies	137,950	-	137,950
Pledge loss expense	22,751	-	22,751
Functional expenses:			-
Fundraising	6,698	-	6,698
Program services	237,786	-	237,786
Management and general	87,868	-	87,868
<b>Total functional expenses</b>	<u>332,352</u>	<u>-</u>	<u>332,352</u>
National dues	5,322		5,322
<b>Total expenses and losses</b>	498,375		498,375
 Increase/(decrease) in net position	 <u>234,967</u>	 <u>(56,349)</u>	 <u>178,618</u>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>66,839</u>	<u>103,763</u>	<u>170,602</u>
<b>PRIOR PERIOD ADJUSTMENTS</b>	<u>166,657</u>		<u>166,657</u>
 <b>NET POSITION AT END OF YEAR</b>	 <u>\$ 468,463</u>	 <u>\$ 47,414</u>	 <u>\$ 515,877</u>

See Accompanying Notes and Independent Auditors' Report



RIVER CITIES UNITED WAY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Agency</u> <u>Allocations</u>	<u>Fund-</u> <u>Raising</u>	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Total</u>
Allocation Expense	\$ 136,912	\$ -	\$ -	\$ -	\$ 136,912
Pledge loss expense	-	-	43,945	-	43,945
Salaries and wages	-	-	125,347	41,539	166,886
Employee benefits	-	-	10,215	3,385	13,600
Payroll taxes	-	-	10,896	3,611	14,507
Professional services	-	6	2,089	10,835	12,930
Information technology	-	-	2,827	4,264	7,091
Office expense	-	209	2,638	9,040	11,887
Printing & copying-external	-	134	605	49	788
Occupancy expense	-	1,724	13,642	4,616	19,982
Travel and meeting expense	-	95	5,035	1,303	6,433
Depreciation expense	-	-	-	508	508
Insurance	-	502	-	2,375	2,877
Facility rental	-	-	-	-	-
Advertising	-	1,322	18,196	223	19,741
Membership & dues	-	-	433	5,830	6,263
Permits & licenses	-	-	281	35	316
Supplies-events	-	3,316	4,337	1,149	8,802
Direct client services	-	-	58,522	-	58,522
Entertainment, awards, food	-	561	1,010	1,016	2,587
Other expense	-	-	(623)	758	135
<b>Total expenses</b>	<b>\$ 136,912</b>	<b>\$ 7,869</b>	<b>\$ 299,395</b>	<b>\$ 90,536</b>	<b>\$ 534,712</b>

RIVER CITIES UNITED WAY  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Agency</u> <u>Allocations</u>	<u>Fund-</u> <u>Raising</u>	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Total</u>
Allocation Expense	\$ 137,950	\$ -	\$ -	\$ -	\$ 137,950
Pledge loss expense	-	-	22,751	-	22,751
Salaries and wages	-	-	129,937	45,106	175,043
Employee benefits	-	-	9,839	3,416	13,255
Payroll taxes	-	-	8,789	3,537	12,326
Professional services	-	14	2,536	10,831	13,381
Information technology	-	-	7,505	3,922	11,427
Office expense	-	88	1,958	9,832	11,878
Printing & copying-external	-	153	341	216	710
Occupancy expense	-	-	13,765	4,779	18,544
Travel and meeting expense	-	13	7,151	2,091	9,255
Depreciation expense	-	-	-	1,212	1,212
Insurance	-	-	2,159	749	2,908
Facility rental	-	1,791	-	-	1,791
Advertising	-	1,484	12,235	99	13,818
Membership & dues	-	-	545	358	903
Permits & licenses	-	118	109	111	338
Supplies-events	-	2,475	4,917	621	8,013
Direct client services	-	-	36,199	-	36,199
Entertainment, awards, food	-	522	463	1,010	1,995
Other expense	-	40	(662)	(22)	(644)
<b>Total expenses</b>	<b>\$ 137,950</b>	<b>\$ 6,698</b>	<b>\$ 260,537</b>	<b>\$ 87,868</b>	<b>\$ 493,053</b>

**RIVER CITIES UNITED WAY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net position	\$ 10,555	\$ 345,807
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and Amortization	508	1,212
Prior period adjustments	1,280	-
(Increase) decrease in operating assets:		
Receivables	(12,159)	8,558
Investments	(22,141)	-
Other assets	-	-
Increase (decrease) in operating liabilities:		
Accounts payable	(1,147)	872
Community care allocations	(9,451)	(10,875)
Donor designations payable	2,379	(1,883)
Allocations accrual	-	(169,156)
Accrued liabilities	(254)	3,929
Total adjustments	<u>(40,985)</u>	<u>(167,343)</u>
Net cash (used in) provided by operating activities	(30,430)	178,464
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(535)	(533)
Acquisition of investments	-	(141,432)
Net cash provided by investing activities	<u>(535)</u>	<u>(141,965)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Notes payable repayments	-	-
Grants receivable and deferred	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>(30,965)</u>	<u>36,499</u>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<u>315,613</u>	<u>279,114</u>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<u>\$ 284,648</u>	<u>\$ 315,613</u>
Unrestricted operating	182,885	212,600
Unrestricted reserves	101,763	103,014
Total cash and cash equivalents	<u>284,648</u>	<u>315,614</u>
<b>Supplementary Information:</b>		
Non-cash revenue reported:		
Donated property, goods and services	<u>\$ 20,603.00</u>	<u>\$ 12,313.00</u>

RIVER CITIES UNITED WAY  
Notes to Financial Statements  
June 30, 2018

## 1. ORGANIZATION AND OPERATIONS

River Cities United Way (United Way) is a nonprofit corporation that was formed to raise and distribute funds for the needs of communities in Mohave and La Paz counties in Arizona, Needles, California and Laughlin, Nevada.

United Way conducts a "year-round" fundraising campaign. Pledges are recorded on the date that written documentation is received. Campaign contributions are used to support local health and human services programs of member and nonmember agencies and to pay United Way's operating expenses. Donors may designate their pledges among several programs. Community care pledges are pooled and are allocated to member agency health and human services programs.

Campaign results are reduced by pledges collected on behalf of others or pledges to a specific organization after retention of administrative expenses in accordance with Statement of Financial Accounting Standards (FASB) No. 136. The campaign results are also reduced by an allowance for uncollectible pledges. The resulting net campaign results are reflected as temporarily restricted assets in the accompanying Statement of Activities as the amounts are to be expended in the following year. Prior year campaign results are reflected as net assets released from restrictions in the current year statement of activities.

Net campaign results are allocated to member agencies and other organizations at the completion of the campaign. At June 30, 2018 and 2017, United Way has committed community care allocations in the amounts of \$129,979 and \$137,950, respectively. The amounts not yet disbursed are reflected as allocations payable in the accompanying statement of financial position. In addition, donor designations payable amounted to \$6,933 and \$4,554 for the years ended June 30, 2018 and 2017, respectively.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Use of Estimates

United Way prepares its financial statements in accordance with accounting principles generally accepted in the United States of America which require that management make estimates and assumptions that affect the reported amounts. Actual results could differ from those estimates.

**Cash and cash equivalents**—Cash includes currency on hand, as well as demand deposits with banks or financial institutions. United Way maintains its cash balances in various bank deposit accounts which, at times, may exceed Federal Deposit Insurance Corporation limits. The organization maintains its available cash in multiple financial institutions and believes it is not exposed to any significant credit risk on cash balances. Cash equivalents are stated at cost, which approximates fair value, and consist of institutional money market funds or bank deposits. Cash equivalents held by long-term investment managers are classified as investments.

### Investments

Investments consist of a portfolio of cash (3%) and level 1 securities with quoted market prices in active markets. (97%). The portfolio was acquired through bequest in June, 2017 with a cost basis of \$110,222.46 and Net Asset Value of \$163,573 at June 30, 2018 and \$141,431 at June 30, 2017.

RIVER CITIES UNITED WAY  
Notes to Financial Statements (Continued)  
June 30, 2018

## **2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Contributed Services**

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Contributions of donated volunteer time not meeting the above criteria are tracked by management but not formally recorded on the books as in-kind revenues and expenses. During the year ended June 30, 2017, 659 volunteers worked 142.25 hours with an estimated value of \$90,904 using time values determined by the independent sector.

### **Property and Equipment**

Fixed assets owned and used in operations are unrestricted and are recorded at cost. Contributed property and equipment is recorded at fair value at the date of donation and are recorded as unrestricted support. Depreciation expense is recorded by using the straight-line method over the estimated useful lives of the assets, which are 3 to 5 years.

### **Concentrations of Risk**

Financial instruments which potentially subject United Way to concentrations of credit risk consist primarily of pledge receivables, substantially all of which are from individuals and businesses in the Mohave and La Paz County area. Concentrations of credit risk are limited due to the large number of donors comprising United Way's donor base. As a result, at June 30, 2018, United Way does not consider itself to have any significant concentrations of credit risk with respect to pledge receivables.

United Way cash deposits are held in banking institutions covered under Federal Deposit Insurance Corporation (FDIC) insurance. United Way bank balances did not exceed \$250,000 in any single institution as of June 30, 2018.

United Way investments are held in brokerages covered under Securities Investor Protection Corporation (SIPC) insurance. United Way investment balances did not exceed \$500,000 in any single institution as of June 30, 2018.

### **Functional Allocation of Expenses**

The costs of providing United Way's various fund-raising activities and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the fund-raising activities and supporting services benefited.

### **Basis of Presentation**

Financial statement preparation follows the recommendations of SFAS No. 117, "Financial Statements of Not-for-Profit Organizations". This requires that the financial statements distinguish between unrestricted, temporarily restricted, and permanently restricted net assets. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.



RIVER CITIES UNITED WAY  
Notes to Financial Statements (Continued)  
June 30, 2018

**3. ADMINISTRATIVE AND FUND-RAISING EXPENSES**

United Way has established the Corporate Cornerstone program which allows corporations, foundations and small businesses to direct their contributions toward underwriting annual administrative and fundraising expenses. The Cornerstone program effectively lowers the percentage of regular campaign donations required to cover administrative and fundraising expenses. The chart below summarizes the results of the Cornerstone program as of June 30, 2018:

Total administrative and fundraising expenses	\$ 98,405
Less: Corporate Cornerstone donations	<u>(50,656)</u>
Net administrative and fundraising expenses to be covered	<u>\$ 47,749</u>
Net administrative and fundraising expenses as a percentage of gross annual campaign (\$426,033)	<u>11.2 %</u>

**4. IN-KIND FACILITY CONTRIBUTIONS**

In February, 2010, United Way received occupancy of an office in Kingman, Arizona at no lease expense. Fair market value of the lease is \$7,000 per annum. United Way has recorded an in-kind corporate cornerstone contribution and rent expense of \$7,000 for the years ended June 30, 2018 and 2017, respectively, representing the fair market value of the occupancy cost.

**5. OPERATING LEASES**

An agreement to lease the headquarters facility from Lake Havasu City was made for a term of five years beginning July 1, 2011 and ending June 30, 2016. A new agreement was executed for the year commencing July 1, 2016 and ending June 30, 2017 for a monthly rent of \$422.71. An agreement was executed for the year commencing July 1, 2017 and ending June 30, 2018 for a monthly rent of \$433.37.

**6. TAX STATUS**

United Way is a not-for-profit corporation and is exempt from income taxes to the extent provided under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is included in the accompanying financial statements.

**7. PLEDGE RECEIVABLES**

At June 30, 2018, pledge receivables totaled \$151,083, all of which is due within one year. The allowance for uncollectible pledges amounted to \$19,197. Management analyzes the patterns of collections by each department periodically to determine the amount recorded as allowance for uncollectible pledges and to determine amounts to charge off.

RIVER CITIES UNITED WAY  
Notes to Financial Statements (Continued)  
June 30, 2018

**8. FIXED ASSETS**

A summary of fixed assets for the year ended June 30, 2017, follows:

	Balance		Balance
	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deletions</u>
	<u>June 30, 2018</u>	<u>June 30, 2018</u>	<u>June 30, 2018</u>
Furniture, fixtures & equipment	\$ 11,079	\$ 536	\$ -
Computer equipment	18,408	-	-
Campaign software	4,991	-	-
Less: Accumulated Depreciation	(31,466)	(508)	(31,974)
Property, plant and equipment, net	<u>\$ 3,012</u>	<u>\$ 28</u>	<u>\$ -0-</u>
			<u>\$ 3,040</u>

Depreciation expense of \$508 and \$401 was recorded for the years ended June 30, 2018 and 2017, respectively.

**9. PENSION PLAN**

In December, 2010, the Organization established a SIMPLE-IRA retirement plan for its employees. Employees must complete one year of service and be reasonably expected to earn \$5,000 to be eligible to participate in the plan. The Organization contributes 3% of annual compensation of employees who participate in the plan. For the years ended June 30, 2018 and 2017, the retirement contribution expense totaled \$2,240 and \$1,969, respectively.

**10. SUBSEQUENT EVENTS**

In preparing these financial statements, the corporation has evaluated events and transactions for potential recognition or disclosure through October 9, 2018, the date the financial statements were available to be issued.

**11. PRIOR PERIOD ADJUSTMENTS**

On occasion, allocations to agencies are adjusted due to programs not being implemented or not fully complying with minimum service levels.

Adjustments of \$1,283 and \$166,657 were recorded for the years ended June 30, 2018 and 2017, respectively.

RIVER CITIES UNITED WAY  
Notes to Financial Statements (Continued)  
June 30, 2018

**12. PROGRAM SERVICES**

A “Schedules of program services” are included on pages 15 to 16. United Way uses the following program service categories for reporting purposes:

**Fund Distribution**

Administration of United Way's year long process of allocating and monitoring use of financial resources contractually made available to participating partner agencies and programs throughout the community.

**Community Impact**

A community-based needs assessment and strategic planning process designed to identify and respond to unmet human service needs.

**Volunteer Recruitment**

General promotion of volunteer service and opportunities (1) generally on behalf of not-for-profit agencies and community programs (including, but not limited to an on-line public database of volunteer opportunities); (2) for United Way's network of volunteer-staffed boards, committees, and fundraising activities; and (3) promotion of "Days of Caring" volunteerism throughout the community.

**Resource Development**

Activities include organizing and assisting in the execution of the annual fund-raising campaign and other fundraising events. Also included are recruitment of donors and recognition for donors who give \$500 or more per year (Pillar Society members).



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**INDEPENDENT AUDITOR'S REPORT  
ON ADDITIONAL INFORMATION**

To the Board of Directors of  
River Cities United Way

We have audited the financial statements of River Cities United Way as of and for the year ended June 30, 2018, and have issued our report thereon dated October 9, 2018, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The schedules of program services are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Eugene W. Newman CPA".

Eugene W. Newman, CPA, PLLC

Las Vegas, Nevada

October 9, 2018

RIVER CITIES UNITED WAY  
SCHEDULE OF PROGRAM SERVICES  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Fund</u> <u>Distribution</u>	<u>Community</u> <u>Impact</u>	<u>Volunteer</u> <u>Recruitment</u>	<u>Resource</u> <u>Development</u>	<u>Total</u> <u>Program Services</u>
Allocation Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Pledge loss expense	-	-	-	43,945	43,945
Salaries and wages	4,547	74,825	4,588	41,386	125,346
Employee benefits	371	6,098	374	3,372	10,215
Payroll taxes	395	6,504	399	3,598	10,896
Professional services	-	54	-	2,035	2,089
Information technology	900	110	89	1,728	2,827
Office expense	-	1,530	40	1,068	2,638
Printing & copying-external	-	133	22	450	605
Occupancy expense	219	8,314	510	4,599	13,642
Travel and meeting expense	95	3,318	606	1,016	5,035
Depreciation expense	-	-	-	-	-
Insurance	-	-	-	-	-
Facility rental	-	-	-	-	-
Advertising	-	12,681	-	5,515	18,196
Membershp & dues	-	433	-	-	433
Permits & licenses	-	-	-	281	281
Supplies-events	-	1,583	20	2,734	4,337
Direct client services	-	58,522	-	-	58,522
Entertainment, awards, food	-	431	463	116	1,010
Other expense	-	-	-	(623)	(623)
<b>Total expenses</b>	<b>\$ 6,527</b>	<b>\$ 174,536</b>	<b>\$ 7,111</b>	<b>\$ 111,220</b>	<b>\$ 299,394</b>



**RIVER CITIES UNITED WAY  
SCHEDULE OF PROGRAM SERVICES  
For the Year Ended June 30, 2017**

	<u>Fund Distribution</u>	<u>Community Impact</u>	<u>Volunteer Recruitment</u>	<u>Resource Development</u>	<u>Total Program Services</u>
Pledge loss expense	-	-	-	22,751	22,751
Salaries and wages	5,457	75,365	6,316	42,799	129,937
Employee benefits	413	5,707	478	3,241	9,839
Payroll taxes	428	4,510	495	3,356	8,789
Professional services	-	-	-	2,536	2,536
Information technology	7,036	69	-	400	7,505
Office expense	270	776	112	800	1,958
Printing & copying-external	-	288	-	53	341
Occupancy expense	578	7,984	669	4,534	13,765
Travel and meeting expense	673	3,364	1,579	1,535	7,151
Insurance	91	1,252	105	711	2,159
Advertising	-	3,414	500	8,321	12,235
Membership & dues	-	545	-	-	545
Permits & licenses	-	-	-	109	109
Supplies	-	3,066	-	1,851	4,917
Direct client services	-	36,101	98	-	36,199
Entertainment, awards, food	76	25	352	10	463
Other expense	-	-	-	(662)	(662)
<b>Total Expenses</b>	<u>\$ 15,022</u>	<u>\$ 142,466</u>	<u>\$ 10,704</u>	<u>\$ 92,345</u>	<u>\$ 260,537</u>

See accompanying notes and auditors' report