

UNITED WAY OF THE GREATER
CLARKSVILLE REGION, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Way of the Greater Clarksville Region, Inc.
Clarksville, Tennessee

We have audited the accompanying statements of financial position of United Way of the Greater Clarksville Region, Inc. (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Stone Rudolph & Henry, PLC

June 26, 2012

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

<u>ASSETS</u>		<u>2011</u>	<u>2010</u>
<u>CURRENT ASSETS</u>			
Cash and Cash Equivalents	\$	89,877	\$ 117,156
Certificates of Deposit		135,448	133,624
Pledges Receivable, Net - Note 3		415,175	301,207
Receivable - Combined Federal Campaign - Note 12		136,112	132,750
Prepaid Expenses		4,096	3,645
Total Current Assets		780,708	688,382
 <u>PROPERTY AND EQUIPMENT</u>			
Leasehold Improvements		25,818	25,818
Office Furniture, Fixtures, and Equipment		39,155	39,155
Total Property and Equipment		64,973	64,973
Less: Accumulated Depreciation		57,907	55,404
Net Property and Equipment		7,066	9,569
 <u>OTHER ASSETS</u>			
		-	9,000
Total Assets	\$	787,774	\$ 706,951
 <u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Allocations and Designations Payable	\$	280,662	\$ 314,320
Accrued Expenses		9,824	25,224
Total Current Liabilities		290,486	339,544
 <u>NET ASSETS</u>			
Unrestricted		158,990	74,472
Temporarily Restricted		338,298	292,935
Total Net Assets		497,288	367,407
Total Liabilities and Net Assets	\$	787,774	\$ 706,951

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<u>PUBLIC SUPPORT AND REVENUE</u>				
Gross Campaign Results (2010/2011)	\$ 425,221	\$ -	\$ -	\$ 425,221
Gross Campaign Results - Released from Restriction	414,000	(414,000)	-	-
Total Campaign Results (2010/2011)	839,221	(414,000)	-	425,221
Less: Donor Designations	(83,434)	71,822	-	(11,612)
Less: Provision for Uncollectible	(99,366)	49,243	-	(50,123)
Net Campaign Revenue (2010/2011)	656,421	(292,935)	-	363,486
Gross Campaign Results (2011/2012)	-	447,888	-	447,888
Less: Donor Designations	-	(60,101)	-	(60,101)
Less: Provision for Uncollectible	-	(49,489)	-	(49,489)
Net Campaign Revenue (2011/2012)	-	338,298	-	338,298
CFC Administrative Fee Income	141,099	-	-	141,099
Grant Income	81,157	-	-	81,157
In-Kind Donations - Note 7	14,415	-	-	14,415
Miscellaneous Income	5,974	-	-	5,974
Gain on Sale of Investment	39	-	-	39
Investment Income	2,618	-	-	2,618
Sponsorship	9,289	-	-	9,289
Designated Donations Fee - Note 8	5,688	-	-	5,688
Total Public Support and Revenue	916,700	45,363	-	962,063
<u>PROGRAM SERVICES</u>				
Gross Funds Awarded/Distributed	444,037	-	-	444,037
Less: Donor Designations	(71,713)	-	-	(71,713)
Net Funds Awarded/Distributed	372,324	-	-	372,324
Other Program Services	208,977	-	-	208,977
Total Program Services	581,301	-	-	581,301
<u>SUPPORTING SERVICES</u>				
Organizational Administration	37,758	-	-	37,758
Fundraising	33,518	-	-	33,518
Facility	21,334	-	-	21,334
CFC Support Services	143,856	-	-	143,856
In-Kind Expenses	14,415	-	-	14,415
Total Supporting Services	250,881	-	-	250,881
Total Expenses	832,182	-	-	832,182
<u>CHANGE IN NET ASSETS</u>	84,518	45,363	-	129,881
<u>NET ASSETS - BEGINNING OF YEAR</u>	74,472	292,935	-	367,407
<u>NET ASSETS - END OF YEAR</u>	\$ 158,990	\$ 338,298	\$ -	\$ 497,288

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<u>PUBLIC SUPPORT AND REVENUE</u>				
Gross Campaign Results (2009/2010)	\$ 285,106	\$ -	\$ -	\$ 285,106
Gross Campaign Results - Released from Restriction	668,195	(668,195)	-	-
Total Campaign Results (2009/2010)	953,301	(668,195)	-	285,106
Less: Donor Designations	(201,193)	105,636	-	(95,557)
Less: Provision for Uncollectible	(89,339)	84,063	-	(5,276)
Net Campaign Revenue (2009/2010)	662,769	(478,496)	-	184,273
Gross Campaign Results (2010/2011)	-	414,000	-	414,000
Less: Donor Designations	-	(71,822)	-	(71,822)
Less: Provision for Uncollectible	-	(49,243)	-	(49,243)
Net Campaign Revenue (2010/2011)	-	292,935	-	292,935
CFC Administrative Fee Income	137,027	-	-	137,027
Grant Income	61,949	-	-	61,949
In-Kind Donations - Note 7	11,700	-	-	11,700
Miscellaneous Income	2,877	-	-	2,877
Investment Income	7,119	-	-	7,119
Rental Income	8,065	-	-	8,065
Sponsorship	20,285	-	-	20,285
Designated Donations Fee - Note 8	3,591	-	-	3,591
Total Support and Revenue	915,382	(185,561)	-	729,821
<u>PROGRAM SERVICES</u>				
Gross Funds Awarded/Distributed	524,041	-	-	524,041
Less Donor Designations	(167,379)	-	-	(167,379)
Net Funds Awarded/Distributed	356,662	-	-	356,662
Other Program Services	280,471	-	-	280,471
Total Program Services	637,133	-	-	637,133
<u>SUPPORTING SERVICES</u>				
Organizational Administration	45,192	-	-	45,192
Fundraising	49,608	-	-	49,608
Facility	15,201	-	-	15,201
CFC Support Services	137,649	-	-	137,649
In-Kind Expenses	11,700	-	-	11,700
Total Supporting Services	259,350	-	-	259,350
Total Expenses	896,483	-	-	896,483
<u>CHANGE IN NET ASSETS</u>	18,899	(185,561)	-	(166,662)
<u>NET ASSETS - BEGINNING OF YEAR</u>	55,573	478,496	-	534,069
<u>NET ASSETS - END OF YEAR</u>	\$ 74,472	\$ 292,935	\$ -	\$ 367,407

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2011

	PROGRAM SERVICES			SUPPORT SERVICES			Total Support Services	Total
	Allocation Services	Organizational Administration	Fund-Raising	Facility	CFC	In-Kind		
<u>EXPENSES</u>								
Salaries	\$ 116,959	\$ 6,268	\$ 16,375	\$ -	\$ 62,518	\$ -	\$ 85,161	\$ 202,120
Payroll Taxes	11,576	619	1,622	-	6,551	-	8,792	20,368
Employee Benefits	34,866	1,869	4,882	-	26,117	-	32,868	67,734
Subtotal	<u>163,401</u>	<u>8,756</u>	<u>22,879</u>	<u>-</u>	<u>95,186</u>	<u>-</u>	<u>126,821</u>	<u>290,222</u>
Dues and Fees	1,737	92	243	-	-	-	335	2,072
Fundraising	-	-	4,759	-	15,024	14,100	33,883	33,883
Insurance	2,345	126	329	-	430	-	885	3,230
Miscellaneous	10,416	469	1,226	500	95	-	2,290	12,706
Phone	7,722	416	1,080	-	1,059	-	2,555	10,277
Postage	1,656	88	232	-	696	-	1,016	2,672
Printing and Publications	5,625	290	775	-	5,467	-	6,532	12,157
Professional Fees	-	16,200	-	-	15,000	-	31,200	31,200
Rent	-	-	-	11,684	-	-	11,684	11,684
Repairs and Maintenance	-	-	-	3,215	1,656	315	5,186	5,186
Software Upgrade	2,414	-	-	-	3,711	-	3,711	6,125
Supplies	11,391	646	1,679	-	1,571	-	3,896	15,287
Travel and Meetings	2,270	121	316	-	3,961	-	4,398	6,668
United Way Fair Share	-	8,051	-	-	-	-	8,051	8,051
Utilities	-	-	-	5,935	-	-	5,935	5,935
Subtotal	<u>45,576</u>	<u>26,499</u>	<u>10,639</u>	<u>21,334</u>	<u>48,670</u>	<u>14,415</u>	<u>121,557</u>	<u>167,133</u>
Depreciation	-	2,503	-	-	-	-	2,503	2,503
<u>TOTAL OPERATIONS</u>	<u>208,977</u>	<u>37,758</u>	<u>33,518</u>	<u>21,334</u>	<u>143,856</u>	<u>14,415</u>	<u>250,881</u>	<u>459,858</u>
Gross Funds Awarded/Distributed	444,037	-	-	-	-	-	-	444,037
Less: Donor Designations	(71,713)	-	-	-	-	-	-	(71,713)
<u>TOTAL EXPENSES</u>	<u>\$ 581,301</u>	<u>\$ 37,758</u>	<u>\$ 33,518</u>	<u>\$ 21,334</u>	<u>\$ 143,856</u>	<u>\$ 14,415</u>	<u>\$ 250,881</u>	<u>\$ 832,182</u>

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010

	PROGRAM SERVICES			SUPPORT SERVICES			Total Support Services	Total
	Allocation Services	Organizational Administration	Fund-Raising	Facility	CFC	In-Kind		
<u>EXPENSES</u>								
Salaries	\$ 130,951	\$ 7,018	\$ 18,334	\$ -	\$ 58,842	\$ -	\$ 84,194	\$ 215,145
Payroll Taxes	12,012	642	1,683	-	5,367	-	7,692	19,704
Employee Benefits	29,156	1,563	4,082	-	22,145	-	27,790	56,946
Subtotal	<u>172,119</u>	<u>9,223</u>	<u>24,099</u>	<u>-</u>	<u>86,354</u>	<u>-</u>	<u>119,676</u>	<u>291,795</u>
Dues and Fees	1,435	76	201	-	-	-	277	1,712
Fundraising	-	-	10,740	-	16,599	11,200	38,539	38,539
Insurance	7,166	386	1,005	-	329	-	1,720	8,886
Management Fees	-	-	-	300	-	-	300	300
Other	6,257	281	736	211	70	-	1,298	7,555
Phone	5,799	312	811	-	1,008	-	2,131	7,930
Postage	15,370	816	2,151	-	458	-	3,425	18,795
Printing and Publications	37,720	1,943	5,200	-	4,869	100	12,112	49,832
Professional Fees	-	15,500	-	-	11,500	-	27,000	27,000
Repairs and Maintenance	933	38	98	4,793	1,852	400	7,181	8,114
Software Upgrade	2,306	-	-	-	6,545	-	6,545	8,851
Supplies	24,679	1,400	3,637	299	1,984	-	7,320	31,999
Travel and Meetings	6,687	356	930	-	6,081	-	7,367	14,054
United Way Fair Share	-	12,166	-	-	-	-	12,166	12,166
Utilities	-	-	-	9,598	-	-	9,598	9,598
Subtotal	<u>108,352</u>	<u>33,274</u>	<u>25,509</u>	<u>15,201</u>	<u>51,295</u>	<u>11,700</u>	<u>136,979</u>	<u>245,331</u>
Depreciation	-	2,695	-	-	-	-	2,695	2,695
<u>TOTAL OPERATIONS</u>	<u>280,471</u>	<u>45,192</u>	<u>49,608</u>	<u>15,201</u>	<u>137,649</u>	<u>11,700</u>	<u>259,350</u>	<u>539,821</u>
Gross Funds Awarded/Distributed	524,041	-	-	-	-	-	-	524,041
Less: Donor Designations	<u>(167,379)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(167,379)</u>
<u>TOTAL EXPENSES</u>	<u>\$ 637,133</u>	<u>\$ 45,192</u>	<u>\$ 49,608</u>	<u>\$ 15,201</u>	<u>\$ 137,649</u>	<u>\$ 11,700</u>	<u>\$ 259,350</u>	<u>\$ 896,483</u>

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ 129,881	\$ (166,662)
Adjustments to Reconcile Change in Net Assets		
To Net Cash Used in Operating Activities:		
Depreciation	2,503	2,695
Gain on Sale of Investment	(39)	-
Changes in Assets and Liabilities:		
Pledges Receivable, Net	(113,968)	320,671
Receivable - Combined Federal Campaign	(3,362)	(21,785)
Prepaid Expenses	(451)	(829)
Accrued Expenses	(15,400)	19,785
Allocations and Designations Payable	(33,658)	(161,226)
Net Cash Used in Operating Activities	<u>(34,494)</u>	<u>(7,351)</u>
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from Sale of Investment	9,039	-
Purchase of Certificates of Deposit	(1,824)	(6,058)
Net Cash Provided by (Used in) Investing Activities	<u>7,215</u>	<u>(6,058)</u>
 <u>NET DECREASE IN CASH AND CASH EQUIVALENTS</u>	 (27,279)	 (13,409)
 <u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	 <u>117,156</u>	 <u>130,565</u>
 <u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	 <u>\$ 89,877</u>	 <u>\$ 117,156</u>

The accompanying notes are an integral part of the financial statements.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Description of Organization

United Way of the Greater Clarksville Region, Inc. (the Organization) is a nonprofit organization established May 21, 1956. Its objective is to coordinate and cooperate in fundraising campaigns that are directed toward meeting the health and human needs of the community. The Organization is governed by a volunteer Board of Directors composed of a cross section of community and business leaders. The Organization is located in Clarksville, Tennessee.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of 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 and those variances could be material to the financial statements in the near term.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The Organization utilizes the accrual basis of accounting which recognizes revenues when earned and expenses when incurred. Operating revenues and expenses include those items that increase or decrease unrestricted net assets.

The Financial Accounting Standards Board (FASB) has established standards concerning contributions and financial statement presentation applicable to non-governmental nonprofit organizations such as the Organization. These standards require that unconditional promises to give (pledges) be recorded as receivables and revenues and require the Organization to distinguish among contributions received for each net asset category in accordance with donor-imposed restrictions. A description of the three net asset categories follows.

(1) Unrestricted

Contributions are recorded as unrestricted revenue if that gift will be spent within the operating cycle or other expenses will be incurred which satisfy the restrictions (if any) of the gift.

(2) Temporarily Restricted

Temporarily restricted net assets are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose. The Organization's temporarily restricted net assets consist of funds received from donors relating to a future campaign year.

(3) Permanently Restricted

Grants and contributions which require by grantor or donor restriction that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions are considered permanently restricted. The Organization had no permanently restricted net assets at the statement date.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

1. Summary of Significant Accounting Policies (Cont'd)

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist principally of cash and pledges receivable. The Organization places its cash with federally-insured financial institutions. At times, cash deposits may have exceeded Federal Deposit Insurance Corporation limits. With respect to pledges receivable, credit risk is dispersed across a large number of contributors who are geographically concentrated in the Clarksville, Tennessee service area. Consequently, the Organization's ability to collect the pledges due from contributors is affected by economic and other conditions in this geographic area. The Organization does not require collateral with respect to pledges receivable.

Cash and Cash Equivalents

The Organization considers all highly-liquid debt instruments purchased with maturities of 90 days or less to be cash equivalents.

Contributions, Pledges Receivable, Campaign Expenses, and Program Investments

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Campaigns are conducted beginning in the third quarter of each year to raise support for program investments in participating agencies in the subsequent year. Pledges receivable are recognized in the period received, with an allowance provided for estimated uncollectible accounts. The allowance for uncollectible accounts is computed based on management's estimates of current economic factors applied to gross campaign results including donor designations.

Campaign support pledged is recognized as an increase in temporarily restricted net assets until the year of investment. All contributions are considered available for use as approved by the Board of Directors unless specifically restricted or designated by the donor. Campaign pledges designated by donors are considered to be agency-type transactions and are not included in net revenues or expenses of the Organization. Campaign expenses are recognized in the period incurred.

Program investments in partner agencies are recognized as program service expenses in the period approved by the Board of Directors and corresponding to the period of the release of time restrictions for related campaign pledges.

Property and Equipment

Property and equipment, including leasehold improvements, are recorded at historical cost or, if contributed, at estimated fair values at the date of receipt. Property and equipment acquired with a unit cost of \$2,500 or greater and a useful life of more than one year are capitalized. Expenditures for additions, major renovations and improvements are capitalized while those for maintenance and repairs are charged to expense as incurred. Capitalized assets are depreciated over their estimated useful lives using the straight line method.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

1. Summary of Significant Accounting Policies (Cont'd)

Functional Allocation of Expenses

The costs of providing the various programs, fundraising and other activities have been summarized on a functional basis in the statement of functional expenses. Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Donated Services

A large number of volunteers donate substantial amounts of time toward the annual campaign and the various community activities; however, no values for in-kind amounts related to donated time by volunteers have been included in the financial statements since there is no objective basis by which to measure such values. Donated property, professional services and other in-kind contributions are recognized in the financial statements at fair value when received.

Tax Exempt Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. It has not been determined to be a private foundation and is considered by the Internal Revenue Service to be a public charity. Accordingly, no provision for income taxes have been made.

The Organization files a U.S. federal Form 990 for organizations exempt from income tax. The Organization's tax returns for years prior to 2008 are no longer subject to audit.

Advertising Costs

Advertising costs are expensed as incurred. The Organization incurred advertising costs of \$10,575 and \$10,000 during the years ended December 31, 2011 and 2010, respectively.

Date of Management's Review

Subsequent events have been evaluated through June 26, 2012, which is the date the financial statements were available to be issued.

2. Cash and Cash Equivalents

Cash and cash equivalents were represented by deposits in financial institutions of \$258,199 and \$154,620 at December 31, 2011 and 2010, respectively. All of these amounts were insured by the Federal Deposit Insurance Corporation.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

3. Pledges Receivable

	2011	2010
Current year campaign	\$ 334,917	\$ 328,036
Prior year's campaign	219,113	109,343
	554,030	437,379
Less: Allowance for uncollectible pledges		
Current year campaign	49,489	49,243
Prior year's campaign	89,366	86,929
	138,855	136,172
Net pledges receivable	\$ 415,175	\$ 301,207

The results of the current year campaign, net of the related allowance for uncollectible pledges, less designations payable, have been included in temporarily restricted net assets on the accompanying statements of financial position, as such contributions are restricted for allocations of the future periods. All pledges receivable are due within one year.

4. Other Assets

On January 1, 2001, the Organization received a donation of nine shares of \$1,000 par value non-voting preferred stock of Meriwether Capital Corporation. The stock is reflected on the financial statements at its par value of \$9,000. Dividend income from the stock is included in investment income on the statements of activities. The stock was sold during the year ended December 31, 2011.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$338,298 and \$292,935 as shown on the December 31, 2011 and 2010 statements of financial position include:

	2011	2010
Contributions to support allocations and operations	\$ 447,888	\$ 414,000
Less: Designations for 2011-2012 Campaign	60,101	71,822
Less: Provision for Uncollectible	49,489	49,243
Net Temporarily Restricted Net Assets	\$ 338,298	\$ 292,935

6. Board Designations

The Organization's board of directors had designated unrestricted net assets totaling \$112,794 for internal purposes as of December 31, 2011 and 2010.

7. In-Kind Donations

In-kind donations totaling \$14,415 and \$11,700 were recorded for fundraising related goods and professional services performed by professionals during 2011 and 2010, respectively.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

8. Designations

Contributors can designate recipient agencies to which their contributions will be directed. Gross designated pledges from the 2010-2011 Campaign were \$83,434. The Organization's policy is to deduct a five-percent administrative fee and a fifteen-percent shrinkage allowance from these specified designations. These rates are based upon historical data relating to administrative expenses and uncollectible pledges.

Designations for the 2011-2012 Campaign as of December 31, 2011, were \$60,101. An eight-and-one-half-percent administrative fee of \$5,688 and a fifteen-percent shrinkage allowance of \$13,398 were deducted by the Organization from these specified designations.

Designations for the 2010-2011 Campaign as of December 31, 2010, were \$71,822. A five-percent administrative fee of \$3,591 and a fifteen-percent shrinkage allowance of \$10,774 were deducted by the Organization from these specified designations.

9. Lease of Building

The Organization has a lease with the Clarksville Charitable and Educational Foundation, Inc. for the building at 529 North Second Street. The monthly rental payment is \$1,200 and all improvements and maintenance are the responsibility of the Organization and other agency tenants. The lease expires on January 1, 2021. Future minimum rental payments due under the lease are as follows:

	<u>Amount</u>
2012	\$ 14,400
2013	14,400
2014	14,400
2015	14,400
2016	14,400

10. Sublease of Building to Other Agencies

The building at 529 North Second Street was subleased for three months in 2011 to Steppin Stone and Solid Build for a monthly rental of \$350.

11. United Way of America

The Organization paid membership dues of \$8,051 and \$12,166 to United Way of America in 2011 and 2010, respectively.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)

12. Fort Campbell Area Combined Federal Campaign

The Organization served as the Principal Combined Fund Organization (PCFO) for the Fort Campbell Area Combined Federal Campaign (CFC) during the years ended December 31, 2011 and 2010. With this arrangement, the Organization provides management services for the CFC. Costs for these services are reimbursed to the Organization from the CFC's receipts.

The Organization uses the method recommended by the United States Office of Personnel Management's Inspector General for recovering administrative costs from the CFC. Using the recommended method, the Organization covers all campaign expenses as they are incurred and receives reimbursement from the CFC's initial receipts of the applicable campaign. This method ensures that campaign expenses are appropriately matched with receipts from the same campaign. During 2011 and 2010, CFC reimbursed the Organization \$127,826 and \$124,159 for administrative expenses, respectively. At December 31, 2011 and 2010, the Organization had a receivable from CFC of \$136,112 and \$132,750, respectively.

The Organization also participated as a federation in the Combined Federal Campaign. A federation receives designations for its member organizations, and then distributes the designations to its members without retaining a fee. The United Way honored all designations made to its members.

13. Employee Retirement Plans

The Organization sponsors a defined contribution pension plan covering all full-time employees. Mutual of America serves as trustee of the plan which became effective June 1, 2007. After twelve months of employment, the Organization provides an annual discretionary contribution of 2.5% and a matching contribution up to 5% of each covered employee's salary. Contributions totaled \$4,800 and \$6,128 for 2011 and 2010, respectively.

14. Dolly Parton's Imagination Library Program

Through a Memorandum of Agreement dated September 2005, the Organization agreed to act as fiscal agent and administrator for Montgomery County for the Dollywood Foundation's program entitled "Dolly Parton's Imagination Library". Under the agreement, the Organization is responsible for distributing one book per month to each participating child under the age of five in Montgomery County and for funding the program. For the years ended December 31, 2011 and 2010, the Organization received pledges totaling \$- and \$7,978, respectively, and incurred expenses totaling \$- and \$48,541, respectively. The Organization ceased to be the fiscal agent for the program during the year ended December 31, 2011.

15. Risk Management

The Organization is exposed to various risks of loss including, but not limited to, torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization has elected to obtain various insurance policies to transfer risk to commercial insurance companies. There were no insurance claims during the audit period.