

UNITED WAY OF THE GREATER
CLARKSVILLE REGION, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of United Way of the Greater Clarksville Region, Inc. (the Organization) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years 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 on the previous page present fairly, in all material respects, the financial position of the Organization as of June 30, 2017 and 2016, 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.

Stone Rudolph & Henry, PLC

Clarksville, Tennessee
November 30, 2017

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents		
Unrestricted	\$ 571,118	\$ 462,906
Restricted	10,238	1,181
Certificates of deposit	142,575	140,045
Pledges receivable, net	307,885	413,826
Appropriation receivable - Montgomery County	130,000	130,000
Prepaid expenses	2,823	3,100
Total current assets	1,164,639	1,151,058
 <u>PROPERTY AND EQUIPMENT</u>		
Office furniture, fixtures and equipment	40,559	38,945
Less: accumulated depreciation	39,038	37,945
Net property and equipment	1,521	1,000
 Total assets	 \$ 1,166,160	 \$ 1,152,058
 <u>LIABILITIES AND NET ASSETS</u>		
 <u>CURRENT LIABILITIES</u>		
Allocations and designations payable	\$ 669,194	\$ 683,461
Accrued expenses	8,814	20,361
Total current liabilities	678,008	703,822
 <u>NET ASSETS</u>		
Unrestricted	480,911	437,628
Temporarily restricted	7,241	10,608
Total net assets	488,152	448,236
 Total liabilities and net assets	 \$ 1,166,160	 \$ 1,152,058

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

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
<u>PUBLIC SUPPORT AND REVENUE</u>			
Gross campaign results (2017)	\$ 1,050,722	\$ -	\$ 1,050,722
Gross campaign results - Released from restriction	10,238	(10,238)	-
Total campaign results (2017)	1,060,960	(10,238)	1,050,722
Less: Donor designations	(129,534)	-	(129,534)
Less: Provision for uncollectible pledges	(72,837)	-	(72,837)
Net campaign revenue (2017)	858,589	(10,238)	848,351
Net campaign revenue (2018)	-	7,074	7,074
Less: Donor designations	-	(203)	(203)
Net campaign revenue (2018)	-	6,871	6,871
In-kind donations	26,100	-	26,100
Investment income	5,305	-	5,305
Sponsorship	6,860	-	6,860
Designated donations fee	20,547	-	20,547
Total public support and revenue	917,401	(3,367)	914,034
<u>PROGRAM SERVICES</u>			
Gross funds awarded/distributed	674,248	-	674,248
Less: Donor designations	(129,737)	-	(129,737)
Net funds awarded/distributed	544,511	-	544,511
Other program services	200,192	-	200,192
Total program services	744,703	-	744,703
<u>SUPPORTING SERVICES</u>			
Organizational administration	41,520	-	41,520
Fundraising	41,781	-	41,781
Facility	20,014	-	20,014
In-kind expenses	26,100	-	26,100
Total supporting services	129,415	-	129,415
Total expenses	874,118	-	874,118
<u>CHANGE IN NET ASSETS</u>	43,283	(3,367)	39,916
<u>NET ASSETS - BEGINNING OF YEAR</u>	437,628	10,608	448,236
<u>NET ASSETS - END OF YEAR</u>	\$ 480,911	\$ 7,241	\$ 488,152

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

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
<u>PUBLIC SUPPORT AND REVENUE</u>			
Gross campaign results (2016)	\$ 1,031,545	\$ -	\$ 1,031,545
Gross campaign results - Released from restriction	1,181	(1,181)	-
Total campaign results (2016)	1,032,726	(1,181)	1,031,545
Less: Donor designations	(126,166)	-	(126,166)
Less: Provision for uncollectible pledges	(62,232)	-	(62,232)
Net campaign revenue (2016)	844,328	(1,181)	843,147
Net campaign revenue (2017)	-	10,344	10,344
Less: Donor designations	-	(106)	(106)
Net campaign revenue (2017)	-	10,238	10,238
CFC administrative fee income	613	-	613
In-kind donations	11,050	-	11,050
Investment income	5,072	-	5,072
Sponsorship	6,049	-	6,049
Designated donations fee	20,193	-	20,193
Total support and revenue	887,305	9,057	896,362
<u>PROGRAM SERVICES</u>			
Gross funds awarded/distributed	666,712	-	666,712
Less: Donor designations	(126,272)	-	(126,272)
Net funds awarded/distributed	540,440	-	540,440
Other program services	211,109	-	211,109
Total program services	751,549	-	751,549
<u>SUPPORTING SERVICES</u>			
Organizational administration	41,677	-	41,677
Fundraising	38,228	-	38,228
Facility	19,888	-	19,888
In-kind expenses	11,050	-	11,050
Total supporting services	110,843	-	110,843
Total expenses	862,392	-	862,392
<u>CHANGE IN NET ASSETS</u>	24,913	9,057	33,970
<u>NET ASSETS - BEGINNING OF YEAR</u>	412,715	1,551	414,266
<u>NET ASSETS - END OF YEAR</u>	\$ 437,628	\$ 10,608	\$ 448,236

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 JUNE 30, 2017

	PROGRAM SERVICES	SUPPORTING SERVICES					Total Supporting Services	Total
	Allocation Services	Organizational Administration	Fund-raising	Facility	In-kind			
<u>EXPENSES</u>								
Salaries	\$ 144,479	\$ 7,743	\$ 20,228	\$ -	\$ -	\$ 27,971	\$ 172,450	
Payroll taxes	11,866	635	1,663	-	-	2,298	14,164	
Employee benefits	23,473	1,258	3,287	-	-	4,545	28,018	
Subtotal	<u>179,818</u>	<u>9,636</u>	<u>25,178</u>	<u>-</u>	<u>-</u>	<u>34,814</u>	<u>214,632</u>	
Dues and fees	2,935	156	410	-	-	566	3,501	
Fundraising	-	-	14,237	-	26,000	40,237	40,237	
Insurance	3,100	167	435	-	-	602	3,702	
Other	1,420	64	167	-	-	231	1,651	
Phone	2,217	119	310	-	-	429	2,646	
Postage	1,730	92	242	-	-	334	2,064	
Printing and publications	4,081	210	563	-	-	773	4,854	
Professional fees	-	19,750	-	-	-	19,750	19,750	
Rent	-	-	-	14,400	-	14,400	14,400	
Software upgrade	3,198	-	-	-	-	-	3,198	
Supplies	371	21	55	-	100	176	547	
Travel and meetings	1,322	70	184	-	-	254	1,576	
United Way fair share	-	10,142	-	-	-	10,142	10,142	
Utilities	-	-	-	5,614	-	5,614	5,614	
Subtotal	<u>20,374</u>	<u>30,791</u>	<u>16,603</u>	<u>20,014</u>	<u>26,100</u>	<u>93,508</u>	<u>113,882</u>	
Depreciation	-	1,093	-	-	-	1,093	1,093	
<u>TOTAL OPERATIONS</u>	<u>200,192</u>	<u>41,520</u>	<u>41,781</u>	<u>20,014</u>	<u>26,100</u>	<u>129,415</u>	<u>329,607</u>	
Gross funds awarded/distributed	674,248	-	-	-	-	-	674,248	
Less: Donor designations	(129,737)	-	-	-	-	-	(129,737)	
<u>TOTAL EXPENSES</u>	<u>\$ 744,703</u>	<u>\$ 41,520</u>	<u>\$ 41,781</u>	<u>\$ 20,014</u>	<u>\$ 26,100</u>	<u>\$ 129,415</u>	<u>\$ 874,118</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 JUNE 30, 2016

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>					
	<u>Allocation Services</u>	<u>Organizational Administration</u>	<u>Fund-raising</u>	<u>Facility</u>	<u>In-kind</u>	<u>Total Supporting Services</u>	<u>Total</u>
<u>EXPENSES</u>							
Salaries	\$ 143,264	\$ 7,678	\$ 20,058	\$ -	\$ -	\$ 27,736	\$ 171,000
Payroll taxes	12,714	680	1,782	-	-	2,462	15,176
Employee benefits	28,359	1,520	3,970	-	-	5,490	33,849
Subtotal	<u>184,337</u>	<u>9,878</u>	<u>25,810</u>	<u>-</u>	<u>-</u>	<u>35,688</u>	<u>220,025</u>
Dues and fees	3,092	165	432	-	-	597	3,689
Fundraising	-	-	9,238	-	10,950	20,188	20,188
Insurance	3,058	165	429	-	-	594	3,652
Other	2,068	93	243	-	-	336	2,404
Phone	2,198	118	308	-	-	426	2,624
Postage	1,615	86	226	-	-	312	1,927
Printing and publications	3,209	165	442	-	-	607	3,816
Professional fees	-	19,250	-	-	-	19,250	19,250
Rent	-	-	-	14,400	-	14,400	14,400
Software upgrade	3,735	-	-	-	-	-	3,735
Supplies	1,850	105	273	-	100	478	2,328
Travel and meetings	5,947	317	827	-	-	1,144	7,091
United Way fair share	-	10,735	-	-	-	10,735	10,735
Utilities	-	-	-	5,488	-	5,488	5,488
Subtotal	<u>26,772</u>	<u>31,199</u>	<u>12,418</u>	<u>19,888</u>	<u>11,050</u>	<u>74,555</u>	<u>101,327</u>
Depreciation	-	600	-	-	-	600	600
<u>TOTAL OPERATIONS</u>	<u>211,109</u>	<u>41,677</u>	<u>38,228</u>	<u>19,888</u>	<u>11,050</u>	<u>110,843</u>	<u>321,952</u>
Gross funds awarded/distributed	666,712	-	-	-	-	-	666,712
Less: Donor designations	(126,272)	-	-	-	-	-	(126,272)
<u>TOTAL EXPENSES</u>	<u>\$ 751,549</u>	<u>\$ 41,677</u>	<u>\$ 38,228</u>	<u>\$ 19,888</u>	<u>\$ 11,050</u>	<u>\$ 110,843</u>	<u>\$ 862,392</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 JUNE 30, 2017 AND 2016

	2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ 39,916	\$ 33,970
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,093	600
Changes in:		
Pledges receivable, net	105,941	24,787
Appropriation receivable - Montgomery County	-	(130,000)
Prepaid expenses	277	(527)
Allocations and designations payable	(14,267)	62,778
Accrued expenses	(11,547)	12,195
Net cash provided by operating activities	121,413	3,803
 <u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of property and equipment	(1,614)	-
Interest on certificates of deposit	(2,530)	(2,861)
Net cash used in investing activities	(4,144)	(2,861)
 <u>NET CHANGE IN CASH AND CASH EQUIVALENTS</u>	117,269	942
 <u>CASH AND CASH EQUIVALENTS - BEGINNING</u>	464,087	463,145
 <u>CASH AND CASH EQUIVALENTS - ENDING</u>	\$ 581,356	\$ 464,087

During the years ended June 30, 2017 and 2016, the Organization received non-cash assistance recorded as in-kind revenue and program services totaling \$26,100 and \$11,050, respectively.

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

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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.

The Organization is qualified 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 (IRS) to be a public charity. Accordingly, no provision for income tax has been made. However, the Organization does file information returns required by the IRS. The Organization is no longer subject to federal or state income tax examinations by tax authorities for fiscal years ended before June 30, 2014.

Use of Estimates

The Organization's financial statements are presented in accordance with accounting principles generally accepted in the United States of America which require the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from these estimates in the near term and the variations can have a material effect on these financial statements.

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 not-for-profit 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.

Unrestricted

Unrestricted net assets are free of grant-imposed or donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by grantors or donors are included in this classification. All expenditures are reported in the unrestricted class of net assets since the use of restricted contributions in accordance with the grantors' or donors' stipulations results in the release of the restriction.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017 AND 2016

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

Basis of Accounting (Cont'd)

Temporarily Restricted

Temporarily restricted net assets are limited as to use by grant-imposed or donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose. The Organization had temporarily restricted net assets of \$7,241 and \$10,608 at June 30, 2017 and 2016, respectively.

Permanently Restricted

Permanently restricted net assets are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations. The Organization had no permanently restricted net assets at June 30, 2017 and 2016.

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. 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. Restricted cash and cash equivalents are limited in use to payments for purposes described in Note 4.

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 first half of each fiscal year to raise support for program investments in participating agencies during the next year. Pledges receivable are recognized in the period received, with an allowance provided for estimated uncollectible pledges. The allowance for uncollectible pledges is computed based on management's estimates of current economic factors applied to gross campaign results including donor designations. Pledge receivables are expected to be collected within the campaign year.

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.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017 AND 2016

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

Contributions, Pledges Receivable, Campaign Expenses and Program Investments (Cont'd)

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.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Donated Services

A substantial number of unpaid volunteers have made significant contributions of their time toward the annual campaign and the various community activities that support the Organization's programs. No amounts have been recognized in the statement of activities because the criteria for recognition under FASB ASC Codification 958-605-50-1 have not been satisfied. Donated property, professional services and other in-kind contributions are recognized in the financial statements at fair value when received.

Advertising Costs

Advertising costs are expensed as incurred and are included in the fundraising line item. The Organization incurred advertising costs of \$29,476 and \$15,292 during the years ended June 30, 2017 and 2016, respectively.

Date of Management's Review

Subsequent events have been evaluated through November 30, 2017, which is the date the financial statements were available to be issued.

2. Cash and Cash Equivalents

Cash and cash equivalents were represented by bank deposits of \$734,497 and \$582,402 at June 30, 2017 and 2016, respectively. Of these amounts, \$392,575 and \$390,045, respectively, was insured by the Federal Deposit Insurance Corporation, and \$341,922 and \$192,357, respectively, was uninsured at June 30, 2017 and 2016.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017 AND 2016

3. Pledges Receivable

	2017	2016
Current year campaign	\$ 405,949	\$ 499,848
Prior year campaign	60,727	80,354
	466,676	580,202
Less: Allowance for uncollectible pledges		
Current year campaign	98,064	86,022
Prior year campaign	60,727	80,354
	158,791	166,376
Net pledges receivable	\$ 307,885	\$ 413,826

The results of the next year's 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. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$7,241 and \$10,608 as shown on the June 30, 2017 and 2016 statements of financial position include:

	2017	2016
Contributions to support allocations and operations	\$ 7,074	\$ 10,344
Less: Designations for the next year's campaign	203	106
Disaster pledges received but not expended	370	370
Net temporarily restricted net assets	\$ 7,241	\$ 10,608

5. In-Kind Donations

In-kind donations totaling \$26,100 and \$11,050 were recorded for fundraising related goods and professional services received during the years ended June 30, 2017 and 2016, respectively.

6. Designations

Contributors can designate recipient agencies to which their contributions will be directed. Net designated pledges from the 2017 and 2016 campaigns were \$129,534 and \$126,166, respectively. The Organization's policy is to deduct a twelve-percent administrative fee from donor designations. A ten-percent shrinkage allowance was also deducted from these designations for the years ended June 30, 2017 and 2016. These rates are based upon historical data relating to administrative expenses and uncollectible pledges.

Designations for the 2018 campaign as of June 30, 2017, were \$203.

Designations for the 2017 campaign as of June 30, 2016, were \$106.

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2017 AND 2016

7. Lease of Building

The Organization is a party to an operating lease with the Clarksville Charitable and Educational Foundation, Inc. for the office building at 529 North Second Street. The monthly rental payment is \$1,200 and all improvements and maintenance are the responsibility of the Organization. The lease expires on January 1, 2021. Lease expense was \$14,400 for the years ended June 30, 2017 and 2016. Future minimum rental payments due under the lease are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2018	\$ 14,400
2019	14,400
2020	14,400
2021	<u>7,200</u>
	<u>\$ 50,400</u>

8. United Way of America

The Organization paid membership dues of \$10,142 and \$10,735 to United Way of America during the years ended June 30, 2017 and 2016, respectively.

9. Retirement Plan

The Organization sponsors a defined contribution 401(k) 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 totaling \$12,478 and \$12,563 were included in employee benefits expense for the years ended June 30, 2017 and 2016, respectively. Employee contributions totaled \$8,319 and \$8,375 for the years ended June 30, 2017 and 2016, respectively.

10. 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 periods.