

UNITED WAY OF THE GREATER
CLARKSVILLE REGION, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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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, 2010 and 2009, 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, 2010 and 2009, 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

August 17, 2011

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 117,156	\$ 130,565
Certificates of Deposit	133,624	127,566
Pledges Receivable, Net - Note 3	301,207	621,878
Receivable - Combined Federal Campaign - Note 13	132,750	110,965
Prepaid Expenses	3,645	2,816
Total Current Assets	<u>688,382</u>	<u>993,790</u>
<u>PROPERTY AND EQUIPMENT</u>		
Leasehold Improvements	25,818	25,818
Office Furniture, Fixtures, and Equipment	39,155	39,155
Total Property and Equipment	<u>64,973</u>	<u>64,973</u>
Less: Accumulated Depreciation	55,404	52,709
Net Property and Equipment	<u>9,569</u>	<u>12,264</u>
<u>OTHER ASSETS</u>	<u>9,000</u>	<u>9,000</u>
Total Assets	<u>\$ 706,951</u>	<u>\$ 1,015,054</u>
<u>CURRENT LIABILITIES</u>		
Allocations and Designations Payable	\$ 334,105	\$ 475,546
Accrued Expenses	5,439	5,439
Total Current Liabilities	<u>339,544</u>	<u>480,985</u>
<u>NET ASSETS</u>		
Unrestricted	74,472	55,573
Temporarily Restricted	292,935	478,496
Total Net Assets	<u>367,407</u>	<u>534,069</u>
Total Liabilities and Net Assets	<u>\$ 706,951</u>	<u>\$ 1,015,054</u>

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

UNITED WAY OF THE GREATER CLARKSVILLE REGION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMEBER 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
CHANGE IN NET ASSETS	18,899	(185,561)	-	(166,662)
NET ASSETS - BEGINNING OF YEAR	55,573	478,496	-	534,069
NET ASSETS - END OF YEAR	\$ 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 ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

	UNRESTRICTED	TEMPORARILY RESTRICTED	PERMANENTLY RESTRICTED	TOTAL
<u>PUBLIC SUPPORT AND REVENUE</u>				
Gross Campaign Results (2008/2009)	\$ 436,902	\$ -	\$ -	\$ 436,902
Gross Campaign Results - Released from Restriction	599,562	(599,562)	-	-
Total Campaign Results (2007/2008)	1,036,464	(599,562)	-	436,902
Less: Donor Designations	(176,119)	111,086	-	(65,033)
Less: Provision for Uncollectible	(65,700)	55,956	-	(9,744)
Net Campaign Revenue (2008/2009)	794,645	(432,520)	-	362,125
Gross Campaign Results (2009/2010)	-	668,195	-	668,195
Less: Donor Designations	-	(105,636)	-	(105,636)
Less: Provision for Uncollectible	-	(84,063)	-	(84,063)
Net Campaign Revenue (2009/2010)	-	478,496	-	478,496
CFC Administrative Fee Income	121,092	-	-	121,092
Grant Income	51,872	-	-	51,872
In-Kind Donations - Note 7	19,387	-	-	19,387
Miscellaneous Income	4,133	-	-	4,133
Investment Income	14,436	-	-	14,436
Rental Income	9,766	-	-	9,766
Sponsorship	27,064	-	-	27,064
Designated Donations Fee - Note 8	5,282	-	-	5,282
Total Support and Revenue	1,047,677	45,976	-	1,093,653
<u>PROGRAM SERVICES</u>				
Gross Funds Awarded/Distributed	764,753	-	-	764,753
Less Donor Designations	(170,669)	-	-	(170,669)
Net Funds Awarded/Distributed	594,084	-	-	594,084
Other Program Services	280,383	-	-	280,383
Total Program Services	874,467	-	-	874,467
<u>SUPPORTING SERVICES</u>				
Organizational Administration	42,268	-	-	42,268
Fundraising	75,161	-	-	75,161
Facility	15,694	-	-	15,694
CFC Support Services	127,365	-	-	127,365
In-Kind Expenses	19,387	-	-	19,387
Total Supporting Services	279,875	-	-	279,875
Total Expenses	1,154,342	-	-	1,154,342
CHANGE IN NET ASSETS	(106,665)	45,976	-	(60,689)
NET ASSETS - BEGINNING OF YEAR	162,238	432,520	-	594,758
NET ASSETS - END OF YEAR	\$ 55,573	\$ 478,496	\$ -	\$ 534,069

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
	Allocation Services	Organizational Administration	Fund- Raising	Facility	CFC	In-Kind	Total Support Services	
<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	172,119	9,223	24,099	-	86,354	-	119,676	291,795
Supplies	24,679	1,400	3,637	299	1,984	-	7,320	31,999
Postage	15,370	816	2,151	-	458	-	3,425	18,795
Fundraising	-	-	10,740	-	16,599	11,200	38,539	38,539
Insurance	7,166	386	1,005	-	329	-	1,720	8,886
Phone	5,799	312	811	-	1,008	-	2,131	7,930
Dues and Fees	1,435	76	201	-	-	-	277	1,712
Travel and Meetings	6,687	356	930	-	6,081	-	7,367	14,054
Utilities	-	-	-	9,598	-	-	9,598	9,598
Repairs and Maintenance	933	38	98	4,793	1,852	400	7,181	8,114
Management Fees	-	-	-	300	-	-	300	300
Professional Fees	-	15,500	-	-	11,500	-	27,000	27,000
Printing and Publications	37,720	1,943	5,200	-	4,869	100	12,112	49,832
United Way Fair Share	-	12,166	-	-	-	-	12,166	12,166
Software Upgrade	2,306	-	-	-	6,545	-	6,545	8,851
Other	6,257	281	736	211	70	-	1,298	7,555
Subtotal	108,352	33,274	25,509	15,201	51,295	11,700	136,979	245,331
Depreciation	-	2,695	-	-	-	-	2,695	2,695
<u>TOTAL OPERATIONS</u>	280,471	45,192	49,608	15,201	137,649	11,700	259,350	539,821
Gross Funds Awarded/Distributed	524,041	-	-	-	-	-	-	524,041
Less: Donor Designations	(167,379)	-	-	-	-	-	-	(167,379)
<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.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2009

	PROGRAM SERVICES	SUPPORT SERVICES					Total Support Services	Total
	Allocation Services	Organizational Administration	Fund- Raising	Facility	CFC	In-Kind		
<u>EXPENSES</u>								
Salaries	\$ 137,816	\$ 7,386	\$ 19,295	\$ -	\$ 54,555	\$ -	\$ 81,236	\$ 219,052
Payroll Taxes	12,532	670	1,756	-	4,810	-	7,236	19,768
Employee Benefits	33,419	1,791	4,679	-	21,740	-	28,210	61,629
Subtotal	<u>183,767</u>	<u>9,847</u>	<u>25,730</u>	<u>-</u>	<u>81,105</u>	<u>-</u>	<u>116,682</u>	<u>300,449</u>
Supplies	5,581	317	823	348	367	-	1,855	7,436
Postage	2,560	136	358	-	420	-	914	3,474
Fundraising	-	-	36,726	-	25,497	19,387	81,610	81,610
Insurance	2,260	122	317	-	300	-	739	2,999
Phone	3,724	201	521	-	987	-	1,709	5,433
Dues and Fees	1,698	90	237	-	-	-	327	2,025
Travel and Meetings	3,468	185	482	-	4,498	-	5,165	8,633
Utilities	-	-	-	10,083	-	-	10,083	10,083
Repairs and Maintenance	1,076	44	113	4,469	1,484	-	6,110	7,186
Management Fees	-	-	-	450	-	-	450	450
Professional Fees	-	15,234	-	-	3,766	-	19,000	19,000
Printing and Publications	55,893	2,878	7,705	-	5,555	-	16,138	72,031
United Way Fair Share	-	8,862	-	-	-	-	8,862	8,862
Software Upgrade	2,093	-	-	-	775	-	775	2,868
Other	18,263	822	2,149	344	2,611	-	5,926	24,189
Subtotal	<u>96,616</u>	<u>28,891</u>	<u>49,431</u>	<u>15,694</u>	<u>46,260</u>	<u>19,387</u>	<u>159,663</u>	<u>256,279</u>
Depreciation	-	3,530	-	-	-	-	3,530	3,530
<u>TOTAL OPERATIONS</u>	<u>280,383</u>	<u>42,268</u>	<u>75,161</u>	<u>15,694</u>	<u>127,365</u>	<u>19,387</u>	<u>279,875</u>	<u>560,258</u>
Gross Funds Awarded/Distributed	764,753	-	-	-	-	-	-	764,753
Less: Donor Designations	<u>(170,669)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(170,669)</u>
<u>TOTAL EXPENSES</u>	<u>\$ 874,467</u>	<u>\$ 42,268</u>	<u>\$ 75,161</u>	<u>\$ 15,694</u>	<u>\$ 127,365</u>	<u>\$ 19,387</u>	<u>\$ 279,875</u>	<u>\$ 1,154,342</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, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ (166,662)	\$ (60,689)
Adjustments to Reconcile Change in Net Assets		
To Net Cash Used in Operating Activities:		
Depreciation	2,695	3,530
Changes in assets and liabilities:		
Pledges Receivable, Net	320,671	(139,038)
Receivable - Combined Federal Campaign	(21,785)	(6,305)
Grant Receivable	-	6,648
Prepaid Expenses	(829)	(126)
Accrued Expenses	-	858
Allocations and Designations Payable	(141,441)	(1,702)
Net Cash Used in Operating Activities	<u>(7,351)</u>	<u>(196,824)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Proceeds from Maturity of Certificates of Deposit	-	244,433
Purchase of Certificates of Deposit	<u>(6,058)</u>	<u>-</u>
Net Cash Provided by (Used in) Investing Activities	<u>(6,058)</u>	<u>244,433</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(13,409)	47,609
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>130,565</u>	<u>82,956</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 117,156</u>	<u>\$ 130,565</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

a. 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 fund-raising 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.

b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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. A significant estimate is the allowance for uncollectible pledges. It is at least reasonably possible that management's estimate could change within the next year due to one or more confirming events and the effect of that change could be material to the financial statements.

c. Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Resources are classified as unrestricted, temporarily restricted or permanently restricted net assets, based on the existence or absence of donor-imposed restrictions, as follows:

(1) Unrestricted

Unrestricted net assets are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by 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 donors' stipulations results in the release of the restriction.

(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.

(3) 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.

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

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

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.

e. 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.

f. Cash and Cash Equivalents

Cash and cash equivalents include demand deposits with banks and certificates of deposit with original maturities of 90 days or less.

g. Property and Equipment

Property and equipment are reported at cost at the date of purchase or at estimated fair value at the date of gift to the Organization. The Organization's policy is to capitalize purchases with a cost of \$2,500 or more and estimated useful lives of greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to five years for the majority of building improvements and equipment.

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

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

h. Income Taxes

The Organization qualifies as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

i. 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.

j. 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 have been included in the financial statements since there is no objective basis by which to measure such values. Donated property and other in-kind contributions are recognized in the financial statements at fair value when received.

k. Fund Accounting

The Organization accounts for facility and operating funds separately. The facility fund was established during the fiscal year ended September 30, 1982, and accounts for the collection of rents on the 1300 Madison Street Building and the maintenance of that building.

l. Advertising Costs

Advertising costs are expenses as incurred.

m. Date of Management's Review

Subsequent events have been evaluated through August 17, 2011, 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 \$154,620 and \$165,914 at December 31, 2010 and 2009, respectively. Of these amounts, \$-0- were uninsured by the Federal Deposit Insurance Corporation.

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

3. Pledges Receivable

	2010	2009
Current year campaign	\$ 328,036	\$ 560,624
Prior year's campaign	109,343	212,546
	<u>437,379</u>	<u>773,170</u>
Less: Allowance for uncollectible pledges		
Current year campaign	49,243	84,063
Prior year's campaign	86,929	67,229
	<u>136,172</u>	<u>151,292</u>
Net pledges receivable	<u>\$ 301,207</u>	<u>\$ 621,878</u>

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.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets of \$292,935 and \$478,496 as shown on the December 31, 2010 and 2009 statements of financial position include:

	2010	2009
Contributions to support allocations and operations	\$ 414,000	\$ 668,195
Contributions to support Imagination Library	-	-
Less: Designations for 2010-2011 Campaign	71,822	105,636
Less: Provision for Uncollectible	49,243	84,063
Net Temporarily Restricted Net Assets	<u>\$ 292,935</u>	<u>\$ 478,496</u>

6. Board Designations

The Organization's board of directors had designated unrestricted net assets totaling \$112,794 for internal purposes as of December 31, 2010 and 2009. During 2010, expenditures exceeded undesignated unrestricted net assets by \$38,322.

7. In-Kind Donations

In-kind donations totaling \$11,700 and \$19,387 were recorded for fundraising related goods and services performed by professionals during 2010 and 2009, 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 2009-2010 Campaign were \$201,193. The Organization generally deducts 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. However, the five-percent administrative fee and a fifteen-percent shrinkage were not withheld from the 2009-2010 Campaign 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 City of Clarksville and Montgomery County on the building at 1300 Madison Street. The annual rental payment is set at \$1.00 and all improvements and maintenance are the responsibility of the Organization and other agency tenants.

10. Sublease of Building to Other Agencies

The building at 1300 Madison Street was subleased in 2010 to various community agencies with the rental amount being determined by a percentage of the estimated total building costs based on each agency's square footage of usage.

The rental rates in effect during the year were:

	<u>Monthly Rental</u>
Crisis Intervention Center	\$ 245
Developmental Services of Dickson County	471
Girl Scouts	155

11. United Way of America

The Organization paid membership dues of \$12,166 and \$8,862 to United Way of America in 2010 and 2009, respectively.

12. Advertising Costs

The Organization incurred advertising costs of \$10,000 and \$8,751 during the years ended December 31, 2010 and 2009, respectively. All advertising costs have been expensed as incurred.

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

13. 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, 2010 and 2009. 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 2010 and 2009, CFC reimbursed the Organization \$127,154 and \$114,787 for administrative expenses, respectively. At December 31, 2010 and 2009, the Organization had a receivable from CFC of \$132,750 and \$110,965, 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.

14. Pension Plan Obligations

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. Contributions are determined as 7.5% of each covered employee's salary and totaled \$13,700 and \$10,659 for 2010 and 2009, respectively. There was no pension liability as of December 31, 2010 and 2009.

Employees are eligible to participate in the pension plan after performing one year's service at full-time status within a Mutual of America plan and vest immediately upon becoming a participant. Participants have the right to elect that a percentage of the contributions made by the Organization on their behalf be credited to Mutual of America's Pooled Common Stock separate account. There is also a 403(b) Tax Deferred Annuity plan available for employee contributions. There are no employer contributions to this plan.

15. 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, 2010 and 2009, the Organization received pledges totaling \$7,978 and \$49,694, respectively, and incurred expenses totaling \$48,541 and \$62,145, respectively.

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

16. Risk Management

The Organization is exposed to various risks of loss related 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.