

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
(A Nonprofit Organization)

Financial Statements

For the year ended June 30, 2008

With Independent Accountant's Report Thereon

H A Beasley & Company, PC
Certified Public Accountants
Murfreesboro, Tennessee



H A Beasley & Company, PC

Certified Public Accountants

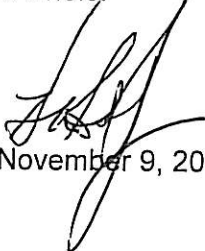
To the Board of Directors
United Way of Rutherford County
DBA United Way of Rutherford and Cannon Counties
Murfreesboro, TN

We have audited the accompanying statement of financial position of United Way of Rutherford County DBA United Way of Rutherford and Cannon Counties (a nonprofit organization) as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year 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 United Way of Rutherford County DBA United Way of Rutherford and Cannon Counties as of June 30, 2008 and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Amounts Given to Agencies (Cash Basis) schedule on page 13 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



November 9, 2009

A Positive Difference Through Professional Accounting Service

Phone: (615) 895-5675 • www.HABeasley.com • Fax: (615) 895-5660
237 W. Northfield Blvd. • First Place Building, Suite 102 • Murfreesboro, TN 37129

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES

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UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
Statement of Financial Position
As of June 30, 2008

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 1,531,664
Pledges Receivable, net (See Note C)	910,839
Interest Receivable	6,230
Prepaid Expenses	26,312
Total Current Assets	<u>2,475,045</u>
Fixed Assets	
Property, and Equipment (See Notes B and I)	79,172
Less Accumulated Depreciation	(32,568)
Total Fixed Assets	<u>46,604</u>
Other Assets	
Investments (See Note L)	32,344
Investments in Assets of Community Foundation (See Note M)	46,005
Total Other Assets	<u>78,349</u>
TOTAL ASSETS	<u>\$ 2,599,998</u>

LIABILITIES & NET ASSETS

Liabilities	
Current Liabilities	
Accounts Payable	\$ 996
Due to Agencies	1,604,000
Due to Designated Agencies	121,182
Deferred Revenue	50,017
Payroll Liabilities	103
Vacation Payable	20,154
Total Current Liabilities	<u>1,796,452</u>
Total Liabilities	<u>1,796,452</u>
Net Assets	
Unrestricted (See Note J)	(59,680)
Temporarily Restricted (See Note J)	863,226
Total Net Assets	<u>803,546</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 2,599,998</u>

See accompanying notes and independent accountant's report

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
Statement of Activities
For the Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Total
Support and Revenue			
Public Support			
Contributions	\$ 1,420,110	\$ 863,226	\$ 2,283,336
Net Assets Released From Restrictions	1,056,680	(1,056,680)	-
Total Public Support	<u>2,476,790</u>	<u>(193,454)</u>	<u>2,283,336</u>
Revenue			
Interest and Dividend Income	46,784		46,784
Realized Gains (Losses) on Investments	(4,388)		(4,388)
Unrealized Gains (Losses) on Investments	(1,674)		(1,674)
Federal Grant Income	978		978
Other Income	11,087		11,087
Total Revenue	<u>52,787</u>		<u>52,787</u>
Total Public Support and Revenue	<u>2,529,577</u>	<u>(193,454)</u>	<u>2,336,123</u>
Expenses and Losses			
Programs			
Fund distribution	1,635,346		1,635,346
Information and Referral Program	14,500		14,500
Other Programs	143,856		143,856
Total Programs	<u>1,793,702</u>		<u>1,793,702</u>
Fundraising	163,141		163,141
Management and General	266,367		266,367
Total Expenses	<u>2,223,210</u>	<u>-</u>	<u>2,223,210</u>
Increase/(Decrease) in Net Assets	<u>306,367</u>	<u>(193,454)</u>	<u>112,913</u>
Net Assets, July 1, 2007	<u>(366,047)</u>	<u>1,056,680</u>	<u>690,633</u>
Net Assets, June 30, 2008	<u>\$ (59,680)</u>	<u>\$ 863,226</u>	<u>\$ 803,546</u>

See accompanying notes and independent accountant's report

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
Statement of Functional Expenses
For the Year Ended June 30, 2008

	Programs			Other Functional Expenses		Total
	Fund Distribution	Information and Referral	Other Programs	Fund Raising	Management and General	
Salaries and Related Expenses						
Salaries and Wages	\$ 24,895		\$ 107,057	\$ 74,029	\$ 99,332	\$ 305,313
Employee Insurance	3,696		7,866	4,549	13,960	30,071
Retirement Expense	747		1,657	790	1,274	4,468
Payroll Taxes	1,902		8,763	6,306	7,177	24,148
Total Salaries and Related Expense	31,240		125,343	85,674	121,743	\$ 364,000
Other Expenses						
Advertising			310	1,649	864	2,823
Agency Allocations	1,604,000					1,604,000
Bank Service Fees					4,158	4,158
Consulting and Contracting Expense				123	19,860	19,983
Depreciation					20,331	20,331
Employee Development Expense					745	745
Equipment Maintenance				90	7,370	7,460
Fundraiser Events Expense				51,372	4,134	55,506
General Insurance					4,884	4,884
Incentive Expense				2,182	453	2,635
Meetings Expense	59		446		4,940	5,445
Membership Dues		\$ 14,500	50		29,788	44,338
Miscellaneous					50	50
Occupancy Expense			4,960	3,960	10,880	19,800
Office Expense	7		3,523	3,974	8,980	16,484
Postage Expense			292		2,735	3,027
Printing and Publication	40		5,317	7,617	1,851	14,825
Professional Fees					8,505	8,505
Signage			256	897		1,153
Software Purchases			582	1,808		2,390
Taxes					440	440
Telephone			332		5,308	5,640
Travel Expense			1,720	2,689	7,601	12,010
Volunteer Appreciation Expense			725	1,106	747	2,578
Total Expenses	\$ 1,635,346	\$ 14,500	\$ 143,856	\$ 163,141	\$ 266,367	\$ 2,223,210

See accompanying notes and independent accountant's report

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
Statement of Cash Flows
For the Year Ended June 30, 2008

Cash Flows from Operating Activities:	
Increase/(Decrease) in Net Assets	\$ 112,913
Add Back Depreciation	20,331
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease/(Increase) in Pledges Receivable	19,800
Decrease/(Increase) in Accounts Receivable	5,819
Decrease/(Increase) in Interest Receivable	349
Decrease/(Increase) in Prepaid Expenses	15,881
Decrease/(Increase) in Investments	5,212
Increase/(Decrease) in Accounts Payable	(1,634)
Increase/(Decrease) in Due to Agencies	66,900
Increase/(Decrease) in Due to Designated Agencies	66,371
Increase/(Decrease) in Deferred Revenues	50,017
Increase/(Decrease) in Payroll Liabilities	103
Increase/(Decrease) in Vacation Payable	2,691
Net Cash Provided from Operating Activities	<u>364,753</u>
Cash Flows from Investment Activities:	
(Purchase)/Sale of Fixed Assets	(8,550)
Net Cash from (to) Investing Activities	<u>(8,550)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	356,203
Cash and Cash Equivalents, Beginning of Year	1,175,461
Cash and Cash Equivalents, Year End	<u>\$ 1,531,664</u>
Supplemental Disclosures:	
Interest paid	<u>\$ -</u>

See accompanying notes and independent accountant's report

**UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008**

NOTE A – NATURE OF ACTIVITIES

The United Way of Rutherford County DBA United Way of Rutherford and Cannon Counties is a member of the United Way of America. According to the by-laws of the Organization, its purpose is to bring together in one united appeal all possible contribution campaigns of the community's health, welfare, educational and recreational agencies. Additionally, the Organization is committed to deploy financial support to agencies, to maximize the resources available for services aimed at the most urgent needs of the community, to muster community support and equipment, and to manage its operations effectively. The Organization campaigns annually for contributions from donors in Rutherford and Cannon counties and allocates support to member agencies and other charities in Rutherford and Cannon counties based on the recommendation of an allocation committee appointed by the board of directors. Comprehensive information and referral services are supported by the Organization in the form of an annual contribution. The Success By 6 activity is a community initiative that brings together existing resources, promotes collaboration and increases community awareness about the needs of young children and their families.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Accrual Basis

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles, and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The organization's net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

--Unrestricted net assets- Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes such as endowment by the Organization's board.

--Temporarily restricted net assets- Net assets subject to donor-imposed stipulations that can be fulfilled by actions of the organization pursuant to those stipulations or that expire by the passage of time.

--Permanently restricted net assets- Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization. Generally, the donors of such assets permit the organization to use all or part of the income earned on the assets.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008**

fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization has no permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates. The Organization recognizes contributions applying estimated pledge losses. Because of the inherent uncertainties in estimating collections, it is at least reasonably possible that the estimates used will change within the near term.

Contributions

The Organization's contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as unrestricted.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include all highly liquid investments with an initial maturity of three months or less and all certificates of deposit.

Promises to Give/Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value, based on prior years' experience and management's analysis of specific promises made. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Investments

Investments are valued at their fair market values in the statement of financial position. Gains and losses are included in the change in net assets.

Property and Equipment

All fixed assets are recorded at cost as of the date of acquisition or fair market value as of the date of receipt in the case of gifts. All fixed assets with a cost of \$1,000 or more are capitalized. Depreciation is computed using the straight-line method based on the estimated useful life of the asset. Expenditures for maintenance and repairs are charged to expense as incurred. Major improvements are capitalized.

**UNITED WAY OF RUTHERFORD COUNTY
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008**

Donated Property and Equipment

Donations of property and equipment are recorded as contributions at their estimated fair market value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Designated Pledges

A designated pledge is a contribution to the Organization that is to be paid to a donor specified charity that is not an Organization member agency. This is an agency transaction that is recorded as a liability and is not included in revenue.

The Organization's policy is for the allocation panel, which is made up of community volunteers, to set allocation amounts per agency with designated donor contributions being the first dollars in. Any supplemental amount is allocated from the unrestricted pool.

Advertising

The Organization expenses advertising costs as they are incurred.

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) (2) of the Internal Revenue Code.

Donor-Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor-stipulated time restrictions ends or a purpose restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets. If a restriction is fulfilled in the same period in which the contribution is received, the contribution is reported as unrestricted.

**UNITED WAY OF RUTHERFORD COUNTY
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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2008**

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs may have been allocated among the programs and supporting services benefited.

NOTE C – PLEDGES RECEIVABLE

Included in pledges receivable are the following unconditional promises to give:

2006 Campaign	\$ 1,683
2007 Campaign:	
Undesignated	861,543
Designated	<u>47,613</u>
Amounts due in less than one year	<u>\$ 910,839</u>

NOTE D – OPERATING LEASES

During the year ended June 30, 2006, the office rental agreement expired and was not renewed. The Organization rented on a month to month basis until June 30, 2009. The Organization then moved to a new location. The term of the new lease is 24 months commencing on July 1, 2009 and terminating on June 30, 2011. The monthly rent due under this lease is \$2,400 monthly.

Rent expense for the year ended June 30, 2008 was \$19,800 included in management and general, fundraising and program expenses in the accompanying financial statements.

The Organization leases two pieces of office equipment with operating agreements of varying lengths. Lease expense for the year ended June 30, 2008 was \$6,440 and is included in management and general expenses in the accompanying financial statements.

The future minimum lease payments due for the years ending June 30 are as follows:

2009	\$ 6,185
2010	34,985
2011	31,783
2012	0
2013	0

**UNITED WAY OF RUTHERFORD COUNTY
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008**

NOTE E – INVESTMENT INCOME

Investment income is comprised of interest earned on money held in money market accounts and certificates of deposit at financial institutions, dividends earned on investments in assets of Community Foundation and securities held in brokerage accounts. The income is reported as unrestricted revenue.

NOTE F – IN-KIND DONATIONS

The Organization has many volunteers who contribute their time and provide other services and supplies to assist the Organization during the annual fund-raising campaign. The value of donated volunteer services is not reflected in the accompanying financial statements because of the difficulty in monitoring the time donated and of placing a monetary value on the donated services and supplies.

NOTE G – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash and cash equivalents and contributions receivable. The Organization estimates that the fair value of all financial instruments at June 30, 2008 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

The estimated fair value amounts have been determined using available market information and appropriate valuation methodologies. The carrying amounts of cash and cash equivalents and the current portion of contributions receivable reported in the statement of financial position approximate fair market values because of the short maturities of those instruments. The Organization does not have any long term contributions receivable requiring estimation by discounting of future cash flows using a risk free rate of return.

NOTE H – SIMPLIFIED EMPLOYEE PENSION PLAN

The Organization adopted a simplified employee pension plan effective January 1, 1991 for the benefit of eligible employees. An employee is eligible for participation on January 1st after their service entry date. Contributions to the plan are made at the discretion of the Board of Directors. For the year ended June 30, 2008 the board approved a 3% matching retirement contribution. Pension expense in the amount of \$4,468 is included in the accompanying financial statements for the year ended June 30, 2008.

**UNITED WAY OF RUTHERFORD COUNTY
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008**

NOTE I – FIXED ASSETS

Fixed Assets consist of the following at June 30, 2008:

Computers and Office Equipment	\$ 56,675
Furniture	15,829
Leasehold Improvements	6,668
Accumulated Depreciation	<u>(32,568)</u>
Total	<u>\$ 46,604</u>

Depreciation for the year ended June 30, 2008 totaled \$20,331.

NOTE J – RESTRICTIONS ON AND DESIGNATIONS OF NET ASSETS

Net assets released from restrictions during fiscal year 2008 were comprised of the following:

Campaign 2006	\$ 1,056,680
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Unrestricted net assets at June 30, 2008 are as follows:

Board Designated for Operations	114,064
Board Designated Agency Endowment	46,005
Unrestricted, undesignated	<u>(219,749)</u>
Total Unrestricted Net Assets	<u>\$ (59,680)</u>

Temporarily restricted net assets at June 30, 2008 consist of:

Campaign 2006	1,683
Campaign 2007	<u>861,543</u>
Total	<u>\$ 863,226</u>

NOTE K – CONCENTRATIONS OF RISK

At June 30, 2008 and at certain times during the year, the balances on deposit at financial institutions exceeded federally insured limits. The amount exceeding the FDIC coverage at June 30, 2008 was \$799,176. The risk is managed by the Organization by maintaining all deposits in high quality institutions.

Approximately 93.9% of the Organization's revenue for the year ended June 30, 2008 was from pledges promised or received in its Fall 2007 fundraising campaign.

**UNITED WAY OF RUTHERFORD COUNTY
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008**

NOTE L – INVESTMENTS

Investments are recorded at fair market value. The value assigned to investments received by gift is the market value at the date of the donation. At June 30, 2008, investments consisted of stocks and cash with a cost of \$43,815 and a fair value of \$32,344. These funds have been designated by the Board of Directors to support the general purposes and objectives of the Organization.

NOTE M - INVESTMENT IN ASSETS OF COMMUNITY FOUNDATION

Assets in the amount of \$30,228 have been transferred to the Community Foundation of Middle Tennessee, Inc. (the Foundation), a Tennessee not-for-profit corporation, exempt under Internal Revenue Code 501(c)(3) for its charitable, educational and public purposes. Variance power has been granted to the Foundation. The Foundation has the ultimate authority and control over all property of the fund, and the income derived therefrom, for the charitable purposes of the Foundation. Proceeds from the fund are to be paid annually to the Organization. The Organization's investment in assets of the Community Foundation is recorded at fair market value in the amount of \$46,005 at June 30, 2008. These funds have been designated by the Board of Directors to support the general purposes and objectives of the Organization.

**UNITED WAY OF RUTHERFORD COUNTY
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Amounts Given to Agencies (Cash Basis)
For the Year Ended June 30, 2008**

American Red Cross - Heart of Tennessee Chapter	\$	155,338
Boys and Girls Club of Rutherford County		136,612
Boy Scouts of Rutherford County		40,000
Bradley Nursery		8,500
Cannon County 4-H		1,636
Cannon County R.E.A.C.H. Program		14,511
Cannon County Senior Citizens Center		12,100
CASA of Rutherford County		21,000
Child Advocacy Center		17,330
Community Food Partners-2nd Harvest		253
Community Helpers of Rutherford County		175,501
Crisis Intervention Center		10,000
Discovery Center at Murfree Spring		20,000
Domestic Violence Program of Rutherford County		52,636
Exchange Club Family Center		24,868
Girl Scouts of Rutherford County		63,000
The Guidance Center		25,888
Holloway Harbor Child Care Program		4,500
Hospice of Murfreesboro-MTMC		40,000
Kids on the Block of Middle Tennessee		8,500
Legal Aid Society of Middle Tennessee		15,000
MCHRA Homemaker Program		46,731
MCHRA Meals on Wheels Program		50,428
MCHRA Ombudsman Program		3,500
MCHRA Youth CAN		388
Murfreesboro City Schools Children's Fund		14,765
Nashville's Table		10,000
Nurses for Newborns		1,868
Project Help		83,000
Rutherford County Adult Activity Center		74,000
Rutherford County Emergency Food Bank		61,343
Rutherford County Primary Care Clinic		36,814
Rutherford County Schools' Charity Fund		21,567
Salvation Army		22,415
Sexual Assault Services-Domestic Violence Program		2,434
Smyrna-Lavergne Food Bank		79,975
Special Kids		46,501
St. Clair Street Senior Center		36,000
Students Taking A Right Stand		10,500
Teen Peace-Domestic Violence Intervention		919
Tennessee Poison Center		12,000
UCHRA Nutrition Program		1,752
Vanderbilt Bill Wilkerson Center		4,000
Wee Care Day Care		18,000
West Main Mission		51,027
TOTAL	\$	<u>1,537,100</u>

See accompanying notes and independent accountant's report