

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

**Financial Statements**

***For the year ended June 30, 2010***

***With Independent Accountant's Report Thereon***

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



**H A Beasley & Company, PC**  
Certified Public Accountants

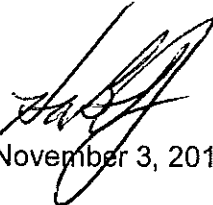
To the Board of Directors  
United Way of Rutherford County  
DBA United Way of Rutherford and Cannon Counties  
Murfreesboro, TN

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, 2010, 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, 2010 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 3, 2010

*A Positive Difference Through Professional Accounting Service*

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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, 2010**

**ASSETS**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 1,611,186
Pledges Receivable, net (See Note C)	747,675
Interest Receivable	529
Prepaid Expenses	20,323
<b>Total Current Assets</b>	<u>2,379,713</u>
<b>Fixed Assets</b>	
Property and Equipment (See Note D)	74,509
Less Accumulated Depreciation	<u>(50,634)</u>
<b>Total Fixed Assets</b>	<u>23,875</u>
<b>Other Assets</b>	
Investments (See Note E)	32,447
Investments in Assets of Community Foundation (See Note F)	<u>41,082</u>
<b>Total Other Assets</b>	<u>73,529</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,477,117</u>

**LIABILITIES & NET ASSETS**

<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 20,263
Due to Agencies	1,579,463
Due to Designated Agencies	88,191
Deferred Revenue	29,485
Payroll Liabilities	733
Vacation Payable	20,556
<b>Total Current Liabilities</b>	<u>1,738,691</u>
<b>Total Liabilities</b>	<u>1,738,691</u>
<b>Net Assets</b>	
Unrestricted (See Note G)	20,398
Temporarily Restricted (See Note G)	<u>718,028</u>
<b>Total Net Assets</b>	<u>738,426</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$ 2,477,117</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, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Public Support and Revenue</b>			
<b>Public Support</b>			
Contributions	\$ 1,491,592	\$ 718,028	\$ 2,209,620
Net Assets Released From Restrictions	1,109,017	(1,109,017)	-
<b>Total Public Support</b>	<u>2,600,609</u>	<u>(390,989)</u>	<u>2,209,620</u>
<b>Revenue</b>			
Interest and Dividend Income (See Note L)	14,066		14,066
Realized Gains (Losses) on Investments	1,265		1,265
Unrealized Gains (Losses) on Investments	4,168		4,168
Federal Grant Income	3,176		3,176
Other Income	2,900		2,900
<b>Total Revenue</b>	<u>25,575</u>	<u>-</u>	<u>25,575</u>
<b>Total Public Support and Revenue</b>	<u>2,626,184</u>	<u>(390,989)</u>	<u>2,235,195</u>
<b>Expenses</b>			
<b>Programs</b>			
Fund Distribution	1,585,893		1,585,893
Information and Referral Program	67,866		67,866
Other Programs	166,949		166,949
<b>Total Programs</b>	<u>1,820,708</u>	<u>-</u>	<u>1,820,708</u>
<b>Fundraising</b>	203,937		203,937
<b>Management and General</b>	431,323		431,323
<b>Total Expenses</b>	<u>2,455,968</u>	<u>-</u>	<u>2,455,968</u>
<b>Increase/(Decrease) in Net Assets</b>	<u>170,216</u>	<u>(390,989)</u>	<u>(220,773)</u>
<b>Net Assets, July 1, 2009</b>	<u>(149,818)</u>	<u>1,109,017</u>	<u>959,199</u>
<b>Net Assets, June 30, 2010</b>	<u>\$ 20,398</u>	<u>\$ 718,028</u>	<u>\$ 738,426</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, 2010**

	Programs			Other Functional Expenses		Total
	Fund Distribution	Information and Referral	Other Programs	Fund Raising	Management and General	
<b>Salaries and Related Expenses</b>						
Salaries and Wages	\$ 3,737	\$ -	\$ 107,199	\$ 119,226	\$ 161,973	\$ 392,135
Employee Insurance	601		13,554	18,298	20,283	52,736
Retirement					1,284	1,284
Payroll Taxes	354		10,665	10,700	13,912	35,631
<b>Total Salaries and Related Expenses</b>	<b>4,692</b>	<b>-</b>	<b>131,418</b>	<b>148,224</b>	<b>197,452</b>	<b>481,786</b>
<b>Other Expenses</b>						
Advertising			300	6,431	2,690	9,421
Agency Allocations	1,579,463					1,579,463
Bank Service Fees					2,186	2,186
Campaign Incentives				2,500		2,500
Conference Fees					5,401	5,401
Depreciation					15,125	15,125
Employee Development					500	500
Equipment Maintenance/Rental					5,551	5,551
Fundraiser Events				13,707	3,554	17,261
General Insurance					2,066	2,066
Loss on Sale of Fixed Assets					4,078	4,078
Meetings	790		561	89	2,914	4,354
Membership Dues		67,866	1,978		46,542	116,386
Moving Expense					3,028	3,028
Occupancy			7,212	10,096	11,538	28,846
Office Supplies	134		1,682	4,314	12,053	18,183
Outside Professional Services				50	93,746	93,796
Postage	16		118	69	2,275	2,478
Printing and Publication			2,572	8,718	5,851	17,141
Signage				5,946		5,946
Software					99	99
Taxes				150	930	1,080
Telephone	200		350	300	8,900	9,750
Tornado Relief			19,161			19,161
Travel	598		1,597	1,843	4,818	8,856
Volunteer Appreciation				1,500	26	1,526
<b>Total Expenses</b>	<b>\$ 1,585,893</b>	<b>\$ 67,866</b>	<b>\$ 166,949</b>	<b>\$ 203,937</b>	<b>\$ 431,323</b>	<b>\$ 2,455,968</b>

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, 2010**

<b>Cash Flows from Operating Activities:</b>	
Increase/(Decrease) in Net Assets	\$ (220,773)
Add Back Depreciation	15,125
(Gain) Loss on Disposal of Fixed Assets	4,078
Earnings on Investments	(768)
Fees Paid on Investments	271
Realized (Gains) Losses on Sale of Investments	(1,265)
Unrealized (Gains) Losses on Investments	(4,168)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease/(Increase) in Pledges Receivable	31,200
Decrease/(Increase) in Interest Receivable	1,137
Decrease/(Increase) in Prepaid Expenses	(11,567)
Increase/(Decrease) in Accounts Payable	(31,223)
Increase/(Decrease) in Due to Agencies	153,570
Increase/(Decrease) in Due to Designated Agencies	(73,153)
Increase/(Decrease) in Deferred Revenues	29,485
Increase/(Decrease) in Payroll Liabilities	(2,704)
Increase/(Decrease) in Vacation Payable	8,815
<b>Net Cash Provided from Operating Activities</b>	<u>(101,940)</u>
<b>Cash Flows from Investment Activities:</b>	
(Purchase)/Sale of Fixed Assets	(6,366)
Donation of Stock to Investments	(990)
<b>Net Cash from (to) Investing Activities</b>	<u>(7,356)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(109,296)
Cash and Cash Equivalents, Beginning of Year	1,720,482
<b>Cash and Cash Equivalents, Year End</b>	<u>\$ 1,611,186</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, 2010**

**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

**UNITED WAY OF RUTHERFORD COUNTY  
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NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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 restriction 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  
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

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.

Included in this year's expenses were amounts totaling \$44,330 that should have been included in prior year expenses. Some of the information was not available in prior years to identify accurately the appropriate accounting period. The \$44,330 is included in the following categories: \$30,310 in Program Expenses-Information and Referral and \$14,020 in Management and General Expenses. Management believes the expenses do not have a significant impact on fair presentation in the financial statements.

**NOTE C – PLEDGES RECEIVABLE**

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

2009 Campaign:	
Undesignated	\$ 718,028
Designated	<u>29,647</u>
Amounts due in less than one year	<u>\$ 747,675</u>

**NOTE D – FIXED ASSETS**

Fixed Assets consist of the following at June 30, 2010:

Computers and Office Equipment	\$ 53,444
Furniture, Fixtures and Equipment	21,065
Accumulated Depreciation	<u>(50,634)</u>
Total	<u>\$ 23,875</u>

Depreciation for the year ended June 30, 2010 totaled \$15,125.

**NOTE E – 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, 2010, investments consisted of stocks and cash with a cost of \$44,804 and a fair value of \$32,447. 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  
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE F - 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 \$41,082 at June 30, 2010. These funds have been designated by the Board of Directors to support the general purposes and objectives of the Organization.

**NOTE G - RESTRICTIONS ON AND DESIGNATIONS OF NET ASSETS**

Net assets released from restrictions during fiscal year 2010 were comprised of the following:

Campaign 2008	\$ 1,109,017
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Unrestricted net assets at June 30, 2010 are as follows:

Board Designated for Operations	115,199
Board Designated Agency Endowment	41,082
Unrestricted, Undesignated	<u>(135,883)</u>
Total Unrestricted Net Assets	<u>\$ 20,398</u>

Temporarily restricted net assets at June 30, 2010 are as follows:

Campaign 2009	\$ 718,028
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**NOTE H - 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 I - 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, 2010 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

**UNITED WAY OF RUTHERFORD COUNTY  
 DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES  
 NOTES TO THE FINANCIAL STATEMENTS  
 June 30, 2010**

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 J – 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 1<sup>st</sup> 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, 2010 the board approved a 3% matching retirement contribution. Pension expense in the amount of \$1,284 is included in the accompanying financial statements for the year ended June 30, 2010.

**NOTE K – OPERATING LEASES**

The Organization leases office space for a term of 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 of \$28,846 for the year ended June 30, 2010 was 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. Rent expense of \$5,551 for the year ended June 30, 2010 was 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:

2011	\$ 33,119
2012	4,139
2013	2,759
2014	0
2015	0
Total	<u>\$ 40,017</u>

**NOTE L – INTEREST AND DIVIDEND 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.

**UNITED WAY OF RUTHERFORD COUNTY  
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2010**

**NOTE M – CONCENTRATIONS OF RISK**

At June 30, 2010 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, 2010 was \$490,872. The risk is managed by the Organization by maintaining all deposits in high quality institutions.

Approximately 91.3% of the Organization's revenue for the year ended June 30, 2010 was from pledges promised or received in its Fall 2009 fundraising campaign.

**NOTE N – SUBSEQUENT EVENTS REVIEW**

Subsequent events have been evaluated through November 3, 2010, which is the financial statement issuance date.

**UNITED WAY OF RUTHERFORD COUNTY  
 DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES  
 Amounts Given to Agencies (Cash Basis)  
 For the Year Ended June 30, 2010**

American Red Cross - Heart of Tennessee Chapter	\$	132,840
Boys and Girls Club of Rutherford County		116,095
Boy Scouts of Rutherford County		35,000
Bradley Nursery		708
Cannon County 4-H		1,623
Cannon County R.E.A.C.H. Program		17,679
Cannon County Senior Citizens Center		11,827
CASA of Rutherford County		19,000
Child Advocacy Center		24,573
Community Food Partners-2nd Harvest		2,292
Community Helpers of Rutherford County		204,498
Crisis Intervention Center		10,000
Discovery Center at Murfree Spring		15,000
Domestic Violence Program of Rutherford County		45,901
Exchange Club Family Center		21,137
Girl Scouts of Rutherford County		35,000
The Guidance Center		37,281
Holloway Harbor Child Care Program		4,000
Alive Hospice		37,062
Kids on the Block of Middle Tennessee		8,500
Legal Aid Society of Middle Tennessee		13,000
MCHRA Homemaker Program		39,269
MCHRA Meals on Wheels Program		40,000
MCHRA Ombudsman Program		3,500
MCHRA Youth CAN		20,000
Murfreesboro City Schools Children's Fund		12,425
Nashville's Table		5,000
Nurses for Newborns		5,000
Project Help		80,000
Rutherford County Adult Activity Center		89,881
Rutherford County Emergency Food Bank		61,000
Rutherford County Primary Care Clinic		31,292
Rutherford County Schools' Charity Fund		21,400
Salvation Army		22,000
Sexual Assault Services-Domestic Violence Program		2,256
Smyrna-Lavergne Food Bank		77,427
St. Clair Street Senior Center		34,400
Students Taking A Right Stand		11,800
Teen Peace-Domestic Violence Intervention		44
Tennessee Poison Center		11,816
UCHRA Nutrition Program		500
Vanderbilt Bill Wilkerson Center		3,083
Wee Care Day Care		19,616
West Main Mission		40,000
TOTAL		<u>\$ 1,424,725</u>

See accompanying notes and independent accountant's report