

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

Financial Statements

For the years ended June 30, 2011 and 2010

With Independent Accountant's Report Thereon

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

UNITED WAY OF RUTHERFORD COUNTY

DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES

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H A Beasley & Company, PC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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 statements of financial position of United Way of Rutherford County DBA United Way of Rutherford and Cannon Counties (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Rutherford County DBA United Way of Rutherford and Cannon Counties as of June 30, 2011 and 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 financial statements taken as a whole. The Amounts Given to Agencies (Cash Basis) schedules on pages 15 and 16 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the financial statements. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink, appearing to be 'H. A. Beasley', written over the date.

November 11, 2011

A Positive Difference Through Professional Accounting Service

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UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
Statements of Financial Position
As of June 30, 2011 and 2010

ASSETS	<u>2011</u>	<u>2010</u>
Current Assets		
Cash and Cash Equivalents	\$ 1,536,949	\$ 1,611,186
Pledges Receivable, net (See Note C)	930,632	747,675
Interest Receivable	-	529
Prepaid Expenses	<u>18,727</u>	<u>20,323</u>
Total Current Assets	<u>2,486,308</u>	<u>2,379,713</u>
Fixed Assets		
Property and Equipment (See Note D)	69,194	74,509
Less Accumulated Depreciation	<u>(47,199)</u>	<u>(50,634)</u>
Total Fixed Assets	<u>21,995</u>	<u>23,875</u>
Other Assets		
Investments (See Note E)	119,429	32,447
Investments in Assets of Community Foundation (See Note F)	<u>49,603</u>	<u>41,082</u>
Total Other Assets	<u>169,032</u>	<u>73,529</u>
TOTAL ASSETS	<u>\$ 2,677,335</u>	<u>\$ 2,477,117</u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 16,000	\$ 20,263
Due to Agencies	1,655,481	1,579,463
Due to Designated Agencies	121,182	88,191
Deferred Revenue	59,276	29,485
Payroll Liabilities	839	733
Vacation Payable	<u>11,645</u>	<u>20,556</u>
Total Current Liabilities	<u>1,864,423</u>	<u>1,738,691</u>
Total Liabilities	<u>1,864,423</u>	<u>1,738,691</u>
Net Assets		
Unrestricted (See Note G)	(57,485)	20,398
Temporarily Restricted (See Note G)	<u>870,397</u>	<u>718,028</u>
Total Net Assets	<u>812,912</u>	<u>738,426</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 2,677,335</u>	<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
Statements of Activities
For the Years Ended June 30, 2011 and 2010**

	2011		2010	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
Public Support and Revenue				
Public Support				
Contributions	\$ 1,577,668	\$ 870,397	\$ 1,491,592	\$ 718,028
Net Assets Released From Restrictions	718,028	(718,028)	1,109,017	(1,109,017)
Total Public Support	<u>2,295,696</u>	<u>152,369</u>	<u>2,600,609</u>	<u>(390,989)</u>
				<u>2,209,620</u>
				<u>\$ 2,209,620</u>
Revenue				
Interest and Dividend Income (See Note L)	17,719		14,066	14,066
Realized Gains (Losses) on Investments	814		1,265	1,265
Unrealized Gains (Losses) on Investments	1,393		4,168	4,168
Federal Grant Income	3,016		3,176	3,176
Other Income	1,000		2,900	2,900
	<u>23,942</u>		<u>25,575</u>	<u>25,575</u>
Total Revenue				
	<u>2,319,638</u>	<u>152,369</u>	<u>2,626,184</u>	<u>(390,989)</u>
Total Public Support and Revenue				
	<u>2,319,638</u>	<u>152,369</u>	<u>2,626,184</u>	<u>(390,989)</u>
Expenses				
Programs				
Fund Distribution	1,697,265		1,585,893	1,585,893
Information and Referral Program	32,000		67,866	67,866
Other Programs	268,358		166,949	166,949
Total Programs	<u>1,997,623</u>		<u>1,820,708</u>	<u>1,820,708</u>
Fundraising	122,852		203,937	203,937
Management and General	277,046		431,323	431,323
Total Expenses	<u>2,397,521</u>		<u>2,455,968</u>	<u>2,455,968</u>
Increase/(Decrease) in Net Assets	<u>(77,883)</u>	<u>152,369</u>	<u>170,216</u>	<u>(390,989)</u>
Net Assets, Beginning of Year	<u>20,398</u>	<u>718,028</u>	<u>(149,818)</u>	<u>1,109,017</u>
Net Assets, End of Year	<u>\$ (57,485)</u>	<u>\$ 870,397</u>	<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, 2011**

	Programs			Other Functional Expenses		Total
	Fund Distribution	Information and Referral	Other Programs	Fund Raising	Management and General	
Salaries and Related Expenses						
Salaries and Wages	\$ 36,838	\$ -	\$ 137,104	\$ 62,167	\$ 161,081	\$ 397,190
Employee Insurance	(48)		30,066	(1,502)	33,942	62,458
Retirement	-		1,881	-	2,293	4,174
Payroll Taxes	3,164		11,863	5,550	15,743	36,320
Total Salaries and Related Expenses	39,954	-	180,914	66,215	213,059	500,142
Other Expenses						
Advertising			8,814	5,210	542	14,566
Agency Allocations	1,655,481					1,655,481
Bank Service Fees			849		1,769	2,618
Campaign Incentives			387	8,880	396	9,663
Depreciation			3,172		5,849	9,021
Employee Development			79		226	305
Equipment Maintenance/Rental			3,429		3,728	7,157
Fundraiser Events			17,046	8,192	1,166	26,404
General Insurance			2,046		2,620	4,666
Loss on Sale of Fixed Assets			2,844		2,038	4,882
Meetings	782		1,347	154	(2,878)	(595)
Membership Dues		32,000	10,202	7,407	10,339	59,948
Miscellaneous			274	217	371	862
Occupancy			9,600	9,600	9,600	28,800
Office Supplies			3,149	646	3,182	6,977
Outside Professional Services			10,320		12,633	22,953
Postage	34		1,420	261	1,568	3,283
Printing and Publication			5,092	4,080	2,409	11,581
Signage			321	7,494	409	8,224
Software			360		458	818
Taxes			19	900	74	993
Telephone	372		3,426	1,256	4,688	9,742
Travel	642		2,576	2,340	1,959	7,517
Volunteer Appreciation			672		841	1,513
Total Expenses	\$ 1,697,265	\$ 32,000	\$ 268,358	\$ 122,852	\$ 277,046	\$ 2,397,521

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	
Salaries and Related Expenses						
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
Total Salaries and Related Expenses	4,692	-	131,418	148,224	197,452	481,786
Other Expenses						
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
Total Expenses	\$ 1,585,893	\$ 67,866	\$ 166,949	\$ 203,937	\$ 431,323	\$ 2,455,968

See accompanying notes and independent accountant's report

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
Statements of Cash Flows
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Increase/(Decrease) in Net Assets	\$ 74,486	\$ (220,773)
Add Back Depreciation	9,020	15,125
(Gain) Loss on Disposal of Fixed Assets	4,883	4,078
Earnings on Investments	(11,492)	(768)
Fees Paid on Investments	627	271
Realized (Gains) Losses on Sale of Investments	(814)	(1,265)
Unrealized (Gains) Losses on Investments	(1,393)	(4,168)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease/(Increase) in Pledges Receivable	(182,957)	31,200
Decrease/(Increase) in Interest Receivable	529	1,137
Decrease/(Increase) in Prepaid Expenses	1,596	(11,567)
Increase/(Decrease) in Accounts Payable	(4,263)	(31,223)
Increase/(Decrease) in Due to Agencies	76,018	153,570
Increase/(Decrease) in Due to Designated Agencies	32,991	(73,153)
Increase/(Decrease) in Deferred Revenues	29,791	29,485
Increase/(Decrease) in Payroll Liabilities	106	(2,704)
Increase/(Decrease) in Vacation Payable	(8,911)	8,815
Net Cash Provided from Operating Activities	<u>20,217</u>	<u>(101,940)</u>
Cash Flows from Investing Activities:		
(Purchase)/Sale of Fixed Assets	(12,023)	(6,366)
(Purchase)/Sale of Investments	(82,431)	-
Donation of Stock to Investments	-	(990)
Net Cash from (to) Investing Activities	<u>(94,454)</u>	<u>(7,356)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(74,237)	(109,296)
Cash and Cash Equivalents, Beginning of Year	1,611,186	1,720,482
Cash and Cash Equivalents, Year End	<u>\$ 1,536,949</u>	<u>\$ 1,611,186</u>
Supplemental Disclosures:		
Interest paid	<u>\$ -</u>	<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, 2011**

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, 2011**

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. The useful life of an asset ranges from 3 to 10 years. Expenditures for maintenance and repairs are charged to expense as incurred. Major improvements are capitalized.

**UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

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
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

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 the year ending June 30, 2010 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 as of June 30, 2011:

2009 Campaign:	
Undesignated	\$ 13,455
Designated	0
2010 Campaign:	
Undesignated	870,397
Designated	<u>46,780</u>
Amounts due in less than one year	<u>\$ 930,632</u>

Included in pledges receivable are the following unconditional promises to give as of June 30, 2010:

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, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Computers and Office Equipment	\$ 48,129	\$ 53,444
Furniture, Fixtures and Equipment	21,065	21,065
Accumulated Depreciation	<u>(47,199)</u>	<u>(50,634)</u>
Total	<u>\$ 21,995</u>	<u>\$ 23,875</u>

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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2011**

Depreciation for the years ended June 30, 2011 and 2010 totaled \$9,021 and \$15,125 respectively.

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, 2011 and 2010, investments consisted of stocks and cash with a cost of \$127,565 and \$44,804 and a fair value of \$119,429 and \$32,447 respectively. These funds have been designated by the Board of Directors to support the general purposes and objectives of the Organization.

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 \$49,603 and \$41,082 at June 30, 2011 and 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 2011 were comprised of the following:

Campaign 2009	\$ 718,028
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Unrestricted net assets at June 30, 2011 are as follows:

Board Designated for Operations	119,429
Board Designated Agency Endowment	49,603
Unrestricted, Undesignated	<u>(226,517)</u>
Total Unrestricted Net Assets	<u>\$ (57,485)</u>

Temporarily restricted net assets at June 30, 2011 are as follows:

Campaign 2010	\$ 870,397
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**UNITED WAY OF RUTHERFORD COUNTY
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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2011**

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, 2011 and 2010 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 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 1st after their service entry date. Contributions to the plan are made at the discretion of the Board of Directors. For the years ended June 30, 2011 and 2010 the board approved a 3% matching retirement contribution.

**UNITED WAY OF RUTHERFORD COUNTY
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 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2011**

Pension expense in the amount of \$4,174 and \$1,284 is included in the accompanying financial statements for the year ended June 30, 2011 and 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. The Organization entered into a new lease for office space for 12 months commencing on July 1, 2011 and terminating on June 30, 2012. The monthly rent due under this new lease is \$2,550. Rent expense of \$28,800 and \$28,846 for the years ended June 30, 2011 and 2010 respectively 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 \$7,157 and \$5,551 for the years ended June 30, 2011 and 2010 respectively was included in management and general and program expenses in the accompanying financial statements.

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

	<u>2011</u>	<u>2010</u>
2011	\$ 0	\$ 33,659
2012	35,459	4,859
2013	3,479	3,479
2014	720	720
2015	540	540
2016	0	0
Total	<u>\$ 40,198</u>	<u>\$ 43,257</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.

NOTE M – CONCENTRATIONS OF RISK

At June 30, 2011 and 2010 and at certain times during the years then ended, the balances on deposit at financial institutions exceeded federally insured limits. The amount exceeding the FDIC coverage at June 30, 2011 and 2010 was \$575,043 and \$490,872. The risk is managed by the Organization by maintaining all deposits in high quality institutions.

Approximately 92.0% of the Organization's revenue for the year ended June 30, 2011 was from pledges promised or received in its Fall 2010 fundraising campaign. Approximately 91.3% of the

**UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

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 4, 2011 and November 3, 2010 for the years ending June 30, 2011 and 2010 respectively, which are the financial statement issuance dates.

**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, 2011**

Alive Hospice	\$	38,930
American Red Cross - Heart of TN Chapter		132,840
Boys and Girls Club of Rutherford County		128,600
Boy Scouts of Rutherford County		37,000
Cannon County 4-H		1,920
Cannon County R.E.A.C.H. Program		18,400
Cannon County Senior Citizens Center		13,900
CASA of Rutherford County		21,000
Child Advocacy Center		24,573
Community Food Partners-2nd Harvest		5,000
Community Helpers of Rutherford County		220,000
Crisis Intervention Center		11,000
Discovery Center at Murfree Spring		19,060
Domestic Violence Program of Rutherford County		51,500
Exchange Club Family Center		25,000
Girl Scouts of Rutherford County		37,000
The Guidance Center		47,200
Holloway Harbor Child Care Program		4,000
Kids on the Block of Middle Tennessee		8,500
Legal Aid Society of Middle Tennessee		14,300
MCHRA Homemaker Program		47,000
MCHRA Meals on Wheels Program		40,000
MCHRA Ombudsman Program		3,500
MCHRA Youth CAN		22,000
Murfreesboro City Schools Children's Fund		13,000
Middle TN's Table - Rutherford County		10,000
Nurses for Newborns		6,500
Project Help		95,100
Rutherford County Adult Activity Center		100,000
Rutherford County Emergency Food Bank		59,000
Rutherford County Primary Care & Hope Clinic		36,000
Rutherford County Schools' Charity Fund		24,000
Salvation Army		32,000
Sexual Assault Services-Domestic Violence Program		3,840
Smyrna-Lavergne Food Bank		79,000
St. Clair Street Senior Center		44,000
Students Taking A Right Stand		15,000
Tennessee Poison Control Center		12,000
Vanderbilt Bill Wilkerson Center		4,800
Wee Care Day Care		25,000
West Main Mission		48,000
TOTAL	\$	<u>1,579,463</u>

See accompanying notes and independent accountant's report

**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