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

Financial Statements
With Independent Auditors' Report Thereon

For the Years Ended June 30, 2015 and 2014

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

UNITED WAY OF RUTHERFORD COUNTY

DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES

Table of Contents

H A Beasley & Company, PC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
United Way of Rutherford County dba United Way of Rutherford and Cannon Counties

We have audited the accompanying financial statements of United Way of Rutherford County dba United Way of Rutherford and Cannon Counties (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

H A Beasley & Company, PC
Murfreesboro, Tennessee
September 29, 2015

A Positive Difference Through Professional Accounting Service
Phone: (615) 895-5675 • www.HABeasley.com • Fax: (615) 895-5660
P.O. Box 11669 • 111 MTCS Drive • Murfreesboro, TN 37129

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and equivalents	$ 1,370,189	$ 1,472,700
Promises to give, net	1,215,347	1,471,441
Prepaid expenses	25,541	27,288
Total current assets	2,611,077	2,971,429
PROPERTY AND EQUIPMENT, NET	202,115	9,195
INVESTMENTS	892,047	920,179
TOTAL ASSETS	$ 3,705,239	$ 3,900,803
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 61,820	$ 22,611
Due to agencies	1,988,398	2,072,632
Due to designated agencies	70,300	68,412
Community needs assessment	3,750	3,750
Deferred revenue	32,904	23,728
Accrued expenses	11,542	13,747
Total current liabilities	2,168,714	2,204,880
NET ASSETS		
Unrestricted net assets		
Undesignated unrestricted net assets	130,009	33,182
Board designated for operations	213,774	213,278
Board designated for agency endowment	62,929	62,371
Total unrestricted net assets	406,712	308,831
Temporarily restricted net assets	1,129,813	1,387,092
Total net assets	1,536,525	1,695,923
TOTAL LIABILITIES AND NET ASSETS	$ 3,705,239	$ 3,900,803

See accompanying notes to financial statements and independent auditors' report.

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE						
Public support						
Contributions	$ 1,655,940	$ 1,130,113	$ 2,786,053	$ 1,697,100	$ 1,387,092	$ 3,084,192
Net assets released from restrictions	1,387,392	(1,387,392)	-	1,178,785	(1,178,785)	-
Total public support	3,043,332	(257,279)	2,786,053	2,875,885	208,307	3,084,192
Revenue						
Interest and dividend income	36,629	-	36,629	32,311	-	32,311
Realized gains on investments	67,423	-	67,423	90,838	-	90,838
Unrealized gains (losses) on investments	(96,341)	-	(96,341)	3,632	-	3,632
Gain on sale of equipment	351	-	351	-	-	-
Other income	2,009	-	2,009	29,499	-	29,499
Total revenue	10,071	-	10,071	156,280	-	156,280
Total public support and revenue	3,053,403	(257,279)	2,796,124	3,032,165	208,307	3,240,472
EXPENSES						
Programs						
Fund distribution	2,145,780	-	2,145,780	2,183,500	-	2,183,500
Information and referral program	23,998	-	23,998	26,422	-	26,422
Other programs	361,240	-	361,240	316,591	-	316,591
Total programs	2,531,018	-	2,531,018	2,526,513	-	2,526,513
Fundraising	119,894	-	119,894	82,178	-	82,178
Management and general	304,610	-	304,610	322,087	-	322,087
Total expenses	2,955,522	-	2,955,522	2,930,778	-	2,930,778
Increase (decrease) in net assets	97,881	(257,279)	(159,398)	101,387	208,307	309,694
Net assets at beginning of year	308,831	1,387,092	1,695,923	207,444	1,178,785	1,386,229
Net assets at end of year	$ 406,712	$ 1,129,813	$ 1,536,525	$ 308,831	$ 1,387,092	$ 1,695,923

See accompanying notes to financial statements and independent auditors' report.

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Programs			Other Functional Expenses		
	Fund Distribution	Information and Referral	Other Programs	Fund Raising	Management and General	Total
Salaries and related expenses						
Salaries and wages	$ -	$ -	$ 180,753	$ 90,377	$ 139,673	$ 410,803
Employee insurance	-	-	30,493	15,247	23,562	69,302
Retirement	-	-	3,767	1,884	2,911	8,562
Payroll taxes	-	-	14,012	7,006	10,828	31,846
Total salaries and related expenses	-	-	229,025	114,514	176,974	520,513
Other expenses						
Advertising	-	-	885	-	84	969
Agency allocations	2,145,780	-	-	-	-	2,145,780
Bank service fees	-	-	-	-	1,385	1,385
Promotional items	-	-	603	940	1,175	2,718
Conference fees	-	-	343	515		858
Depreciation	-	-	3,379	-	4,301	7,680
Employee development	-	-	1,480	100	1,441	3,021
Equipment maintenance/rental	-	-	2,677	-	3,535	6,212
Fundraiser events	-	-	49,193	1,162	30,119	80,474
General insurance	-	-	2,324	-	2,931	5,255
Investment fees	-	-	5,373	-	6,838	12,211
Meetings	-	-	752	-	-	752
Membership dues	-	23,998	15,910	77	20,251	60,236
Miscellaneous	-	-	114	-	216	330
Rent	-	-	14,209	-	18,085	32,294
Office supplies	-	-	2,652	55	3,376	6,083
Professional services	-	-	18,228	-	16,707	34,935
Postage	-	-	2,011	6	2,540	4,557
Printing and publication	-	-	4,510	748	4,749	10,007
Signage	-	-	100	37	128	265
Software	-	-	108	-	137	245
Taxes	-	-	148	-	159	307
Telephone	-	-	2,990	1,740	4,003	8,733
Travel	-	-	3,773	-	4,899	8,672
Staff appreciation	-	-	453	-	577	1,030
Total other expenses	2,145,780	23,998	132,215	5,380	127,636	2,435,009
Total expenses	$ 2,145,780	$ 23,998	$ 361,240	$ 119,894	$ 304,610	$ 2,955,522

See accompanying notes to financial statements and independent auditors' report.

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	Programs			Other Functional Expenses		
	Fund Distribution	Information and Referral	Other Programs	Fund Raising	Management and General	Total
Salaries and related expenses						
Salaries and wages	$ -	$ -	$ 163,806	$ 64,889	$ 169,286	$ 397,981
Employee insurance	-	-	27,389	(66)	33,731	61,054
Retirement	-	-	3,543	1,359	3,808	8,710
Payroll taxes	-	-	12,597	5,053	12,958	30,608
Total salaries and related expenses	-	-	207,335	71,235	219,783	498,353
Other expenses						
Advertising	-	-	310	-	380	690
Agency allocations	2,183,500	-	-	-	-	2,183,500
Bank service fees	-	-	-	-	1,158	1,158
Promotional items	-	-	1,785	659	2,172	4,616
Conference fees	-	-	250	-	-	250
Depreciation	-	-	2,197	-	2,795	4,992
Employee development	-	-	984	120	1,125	2,229
Equipment maintenance/rental	-	-	2,828	-	3,600	6,428
Fundraiser events	-	-	36,392	418	20,075	56,885
General insurance	-	-	1,863	-	2,371	4,234
Investment fees	-	-	4,936	-	6,282	11,218
Meetings	-	-	517	437	637	1,591
Membership dues	-	26,422	15,228	-	19,381	61,031
Miscellaneous	-	-	89	-	119	208
Occupancy	-	-	13,464	-	17,136	30,600
Office supplies	-	-	2,331	-	2,981	5,312
Professional services	-	-	12,241	-	12,065	24,306
Postage	-	-	1,852	102	2,239	4,193
Printing and publication	-	-	3,707	1,793	4,588	10,088
Signage	-	-	117	-	38	155
Software	-	-	300	-	351	651
Taxes	-	-	84	-	433	517
Telephone	-	-	2,720	1,900	3,453	8,073
Travel	-	-	4,508	5,514	(1,778)	8,244
Staff appreciation	-	-	553	-	703	1,256
Total other expenses	2,183,500	26,422	109,256	10,943	102,304	2,432,425
Total expenses	$ 2,183,500	$ 26,422	$ 316,591	$ 82,178	$ 322,087	$ 2,930,778

See accompanying notes to financial statements and independent auditors' report.

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ (159,398)	$ 309,694
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,680	4,991
Earnings on investments	(36,629)	(32,311)
Fees paid on investments	12,211	4,936
Realized gains on sale of investments	(67,423)	(90,838)
Unrealized (gains) losses on investments	96,341	(3,632)
Gain on sale of equipment	(351)	-
(Increase) decrease in operating assets:		
Promises to give, net	256,094	(149,802)
Prepaid expenses	1,747	(808)
Other current assets	-	150
Increase (decrease) in operating liabilities:		
Accounts payable	39,209	(21,142)
Due to agencies	(84,234)	233,384
Due to designated agencies	1,888	(283,810)
Community needs assessment	-	(35,000)
Deferred revenue	9,176	14,956
Accrued expenses	(2,205)	(2,976)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	74,106	(52,208)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of equipment	1,416	-
Purchase of property and equipment	(201,665)	(1,655)
Proceeds from sale of investments	678,721	143,499
Purchase of investments	(655,089)	(128,372)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	(176,617)	13,472
NET DECREASE IN CASH AND EQUIVALENTS	(102,511)	(38,736)
CASH AND EQUIVALENTS, BEGINNING OF YEAR	1,472,700	1,511,436
CASH AND EQUIVALENTS, END OF YEAR	$ 1,370,189	$ 1,472,700

See accompanying notes to financial statements and independent auditors' report.

**UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014**

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities
The United Way of Rutherford County dba United Way of Rutherford and Cannon Counties (the Organization) is a member of the United Way World Wide. The Organization completes a series of requirements in thirteen areas to maintain its membership. The United Way of Rutherford County dba United Way of Rutherford and Cannon Counties improves lives by advancing opportunities for education, health and financial stability for all. The United Way of Rutherford County dba United Way of Rutherford and Cannon Counties serves as a primary community solutions leader that produces measureable, sustainable results through mobilizing and engaging the community it serves.

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

Basis of Presentation
The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Organization. Board designated net assets represent amounts the Organization has set aside for a specific purpose.

Temporarily restricted net assets are 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 are 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. At June 30, 2015 and 2014 the Organization had no permanently restricted net assets.

Public support and 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 fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

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

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions
Contributions are recognized as public support and revenue when received or unconditionally pledged. All contributions are available for unrestricted use unless specially restricted by the donor. Contributions that are restricted by the donor are reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted contributions are reported as an increase in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Equivalents
For purposes of the statements 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, Net
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 public support and revenues. Conditional promises to give are not included as support until such time as the conditions are substantially met. Using historical data, management estimates the promises to give allowance each year for uncollectible promises to give. For the years ending June 30, 2015 and 2014 management has estimated the promises to give allowance to be $317,444 and $303,759, respectively.

Investments
The investments consist of available-for-sale securities invested in equity and fixed income securities as well as mutual funds. These securities are recognized at fair value on the statement of financial position, with realized and unrealized gains or losses on the statement of activities.

Property and Equipment, Net

The Organization capitalizes all property and equipment expenditures with a cost of $1,000 or more and having estimated useful lives of more than one year. Property and equipment are recorded at cost or for donated items, at fair value as of the date received. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset for 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. Property and equipment are depreciated using the straight-line method. The useful lives of the assets range from 3 to 10 years. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance and repairs are charged to expense when incurred.

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Fair value Measurements
The Fair Value Measurements and Disclosures topic of the FASB Accounting Standards Codification estimates a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. This hierarchy consists of three levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets and Level 3 inputs have the lowest priority. The Organization uses appropriate valuation techniques based on available inputs to measure the fair value of investments. When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 and Level 2 were not available.

Advertising
The Organization expenses advertising costs as they are incurred. For the years ended June 30, 2015 and 2014, advertising expenses totaled $969 and $690, respectively.

Income Taxes
The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code. 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.

The Organization has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the years ended June 30, 2012, 2013 and 2014.

However the Organization is not currently under audit nor has the Organization been contacted by any jurisdiction. Based on the evaluation of the Organization's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the years ended June 30, 2015 and 2014.

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.

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional expenses
Presentation of operating expenses includes production costs directly incurred for program activities and supporting expense activity classifications of management and general as well as fund-raising.

NOTE B – PROMISES TO GIVE, NET

Included in promises to give are the following unconditional promises to give as of June 30, 2015 and 2014:

	2015		2014
2013 Campaign:		2012 Campaign:	
Undesignated	$ 13,445	Undesignated	$ 38,026
Designated	818	Designated	4,585
2014 Campaign:		2013 Campaign:	
Undesignated	1,120,185	Undesignated	1,346,958
Designated	73,599	Designated	81,872
2015 Campaign:		2014 Campaign:	
Undesignated	4,300	Undesignated	-
Capital Campaign	3,000	Capital Campaign	-
Total promises to give, net	$ 1,215,347	Total promises to give, net	$ 1,471,441

NOTE C – INVESTMENTS

Investments are stated at fair value and are summarized as follows as of June 30, 2015 and 2014:

	2015		2014	
	Cost	Value	Cost	Value
Equity securities	$ 402,173	$ 405,909	$ 352,297	$ 439,598
Fixed income securities	237,182	217,425	210,565	211,882
Mutual funds	187,834	205,784	180,191	206,328
Total	$ 827,189	$ 829,118	$ 743,053	$ 857,808

Unrealized gains during the years ended June 30, 2015 and 2014 totaled $(96,341) and $3,632 respectively. At June 30, 2015 and 2014 the Board designated funds of these investments consisted of stocks with a cost of $187,834 and $180,191, respectively, and a fair value of $205,784 and $206,328, respectively, and have been designated by the Board of Directors to support the general purposes and objectives of the Organization and they are long-term investments. Cash invested with Raymond James Financial Services is shown in cash and equivalents.

NOTE C – INVESTMENTS (CONTINUED)

Assets totaling $30,228 were transferred as a board designation 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. These funds were invested in an endowment fund named "United Way of Rutherford County Agency Endowment" (referred to as the "agency endowment"). The Foundation has the ultimate authority and control over all property of the fund, and the income derived therefrom, for use in furthering the charitable purposes of the Foundation.

Interpretation of relevant law in relation to the agency endowment
The Organization has interpreted the State Prudent Management of Institutional Funds Act ("SPMIFA") as requiring the preservation of the fair value of the original board designation. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) The investment policies of the Organization

As of June 30, 2015 and 2014 the agency endowment funds included board restricted net assets and reported as "board designated for agency endowment". As of June 30, 2015 and 2014 the Organization did not have any funds in the agency endowment fund received from donors. Therefore there are no permanently restricted net assets as of June 30, 2015 and 2014.

Return objectives and risk parameters of the agency endowment
The Organization operates with investment and spending polices for endowment assets that attempt to provide a steady stream of funding to programs supported by its endowment while maintaining its long-term value. Endowment assets include those of board-designated funds. The Foundation invests the assets in a manner that is intended to produce income while incurring a moderate level of investment risk. Each year, the Foundation sets a percentage draw from endowment funds that are intended to allow them to grow in value, while also supporting the general purposes and objectives of the Organization.

Strategies employed for achieving objectives
To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

NOTE C – INVESTMENTS (CONTINUED)

Spending practice and how the investment objections relate to spending practice
For many years, the Foundation has followed a practice of setting a draw from endowment funds appropriate for distribution in subsequent fiscal year as needed by the Organization to meets its needs in order to prudently preserve capital in a difficult economic environment. During both years ending June 30, 2015 and 2014 the Organization has received $1,250. The Organization may request an amount up to 5.0% for the agency fund value for distribution to fund operations in order to prudently preserve capital in a difficult economic environment.

In establishing this policy, the Organization considered the long-term expected return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow at an average of 1 to 2 percent annually. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for specified terms as well as to provide additional real growth through investment return.

The Organization's investment of the agency endowment is recorded at fair market value in the amount of $62,929 and $62,371 at June 30, 2015 and 2014, respectively. The agency endowment fund has been reported as a long-term investment on the statements of financial position.

Fair value measurements as of June 30, 2015 and 2014 are determined as follows:

	Fair Value Measurements at June 30, 2015			
	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Totals
Equity securities	$ 405,909	$ -	$ -	$ 405,909
Fixed income securities	217,425	-	-	217,425
Mutual funds	205,784	-	-	205,784
Agency endowment	-	-	62,929	62,929
Totals	$ 829,118	$ -	$ 62,929	$ 892,047

	Fair Value Measurements at June 30, 2014			
	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Totals
Equity securities	$ 439,598	$ -	$ -	$ 439,598
Fixed income securities	211,882	-	-	211,882
Mutual funds	206,328	-	-	206,328
Agency endowment	-	-	62,371	62,371
Totals	$ 857,808	$ -	$ 62,371	$ 920,179

NOTE C – INVESTMENTS (CONTINUED)

The following table sets forth a summary of changes in the fair value of the Organization's level 3 investments for the years ended June 30, 2015 and 2014:

	2015	2014
Balance, beginning of year	$ 62,371	$ 54,396
Realized gains	5,662	4,795
Unrealized gains (losses) related to investments still held at the reporting date	(4,623)	3,631
Investment fees	(481)	(451)
Balance, end of year	$ 62,929	$ 62,371

The level 3 investments are reported at fair value on a recurring basis determined by reference to quoted market prices for similar assets.

NOTE D – PROPERTY AND EQUIPMENT, NET

Property and equipment, net and the related accumulated depreciation consist of the following at June 30, 2015 and 2014:

	2015	2014
Computers and office equipment	$ 55,822	$ 53,227
Furniture, fixtures and equipment	37,032	21,065
Leasehold improvements	163,737	-
Totals	256,591	74,292
Accumulated depreciation	(54,476)	(65,097)
Property and equipment, net	$ 202,115	$ 9,195

Depreciation for the years ended June 30, 2014 and 2012 totaled $7,680 and $4,992, respectively.

NOTE E – RESTRICTIONS ON AND DESIGNATIONS OF NET ASSETS

Net assets released from restrictions during the year ended June 30, 2015 and 2014 were comprised of the following:

	2015	2014
Campaign 2013 and 2012, respectively	$ 1,387,092	$ 1,178,785
Mott Industries grant	300	-
Net assets released from restrictions	$ 1,387,392	$ 1,178,785

NOTE E – RESTRICTIONS ON AND DESIGNATIONS OF NET ASSETS (CONTINUED)

Unrestricted net assets at June 30, 2015 and 2014 are as follows:

	2015	2014
Board designated for operations	$ 213,774	$ 213,278
Board designated for agency endowment	62,929	62,371
Unrestricted, undesignated	130,009	33,182
Total unrestricted net assets	$ 406,712	$ 308,831

Temporarily restricted net assets at June 30, 2015 and 2014 are as follows:

	2014	2013
Campaign 2014 and 2013, respectively	$ 1,125,613	$ 1,387,092
Mott Industries grant	4,200	-
Total temporarily restricted net assets	$ 1,129,813	$ 1,387,092

NOTE F – FUNCTIONAL EXPENSES

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

For the years ended June 30, 2015 and 2014 the Organization incurred expenses amounting to $2,531,335 and $2,526,513, respectively, related to program services and $303,985 and $322,087, respectively, related to management and general and $120,202 and $82,178, respectively, related to fund-raising.

NOTE G – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Organization's financial instruments, none of which are held for trading purposes, include cash equivalents and promises to give. The Organization estimates that the fair value of all financial instruments at June 30, 2015 and 2014 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 equivalents and the current portion of promises to give reported in the statements of financial position approximate fair market values because of the short maturities of those instruments. The Organization does not have any long-term promises to give 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 one year after their service entry date. Contributions to the plan are made at the discretion of the Board of Directors. For each of the years ended June 30, 2015 and 2014 the board approved a 3% matching retirement contribution.

NOTE H – SIMPLIFIED EMPLOYEE PENSION PLAN (CONTINUED)

For the years ended June 30, 2015 and 2014 retirement expense totaled $8,562 and $8,710, respectively.

NOTE I – OPERATING LEASES

The Organization entered into a lease for office space for 12 months commencing on July 1, 2011 and terminating on June 30, 2012. The monthly rent due under this lease is $2,550. The Organization renewed the operating lease to a month-to-month lease beginning July 1, 2012 requiring monthly lease payments of $2,550 through May 2015.

On May 1, 2015, the Organization entered into an operating lease for office space for 10 years with an option to extend the term for an additional 5 year period. The monthly rent due under this lease for the first year is $2,520. Annual rent for each successive year after the first year shall increase by 2%. The Lessor and the Organization can terminate the lease with a 30 day notice to the other party only for failure of the other party to fulfil its obligations under the lease.

Rent expense totaled $32,294 and $30,600 for the years ended June 30, 2015 and 2014, respectively, and was included in management and general, fundraising and program expenses in the accompanying financial statements.

The Organization leased two pieces of office equipment with operating agreements of varying lengths. For the years ended June 30, 2015 and 2014 rent expense totaled $6,212 and $6,428, and were included in management and general and program expenses in the accompanying financial statements.

The future minimum lease payments due are as follows:

June 30,		
2016	$	35,613
2017		36,220
2018		35,520
2019		32,198
2020		32,842
Thereafter		168,185
Total	$	340,578

NOTE J – INTEREST AND DIVIDEND INCOME

Investment income is comprised of interest earned on funds held in money market accounts and certificates of deposit at financial institutions, dividends earned on the agency endowment and securities held in brokerage accounts. The income is reported as unrestricted revenue.

NOTE K – CONCENTRATIONS OF RISK

At June 30, 2015 and 2014 and at certain times during the years then ended, the balances on deposit at financial institutions exceeded the federally insured limit of $250,000. The amounts exceeding the FDIC coverage at June 30, 2015 and 2014 totaled $236,208 and $395,111, respectively.

NOTE K – CONCENTRATIONS OF RISK (CONTINUED)

As of June 30, 2015 and 2014, the total amount of funds in a financial institution which is not federally insured totaled $54,716 and $33,560, respectively. The Organization manages this risk by maintaining all deposits in high quality institutions.

Approximately 96.9% of the Organization's public support and revenue for the year ended June 30, 2015 was from pledges promised or received in its Fall 2014 fundraising campaign. Approximately 87.4% of the Organization's support and revenue for the year ended June 30, 2014 was from pledges promised or received in its Fall 2013 fundraising campaign.

NOTE L – SUBSEQUENT EVENTS REVIEW

Subsequent events have been evaluated through September 29, 2015, which is the date the financial statements were available to be issued. As of October 1, 2015, the operations of another not-for-profit entity, Rutherford Books from Birth, will be merged into the operations of the Organization. Rutherford Books from Birth will be dissolved and all assets as of October 1, 2015 will be assumed by the Organization. The merger of this entity into the Organization further enhances the education component of their community impact model. There have been no adjustments to the financial statements to include any subsequent transactions or events.

SUPPLEMENTARY INFORMATION

HAB

H A Beasley & Company, PC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
of United Way of Rutherford County dba United Way of Rutherford and Cannon Counties

We have audited the financial statements of United Way of Rutherford County dba United Way of Rutherford and Cannon Counties as of and for the year ended June 30, 2015, and our report thereon dated September 29, 2015, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Amounts Given to Agencies is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Amounts Given to Agencies is fairly stated in all material respects in relation to the financial statements as a whole. The Schedule of Investment in Community, which is the responsibility of management, is of a nonaccounting nature and has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

H A Beasley & Company, PC
Murfreesboro, Tennessee
September 29, 2015

Phone: (615) 895-5675 • www.HABeasley.com • Fax: (615) 895-5660
P.O. Box 11669 • 111 MTCS Drive • Murfreesboro, TN 37129

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
SCHEDULES OF AMOUNTS GIVEN TO AGENCIES (CASH BASIS)
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
ACE Learning Center	$ 90,721	$ -
American Red Cross - Heart of Tennessee	119,000	118,020
Big Brother Big Sisters	49,117	30,000
Boy Scouts of America, Middle Tennessee Council	29,336	30,000
Boys & Girls Clubs of Rutherford County	162,760	140,000
Cannon County 4-H Clubs	-	1,800
Cannon County Imaginatin Library/Cannon Reads	1,000	-
Cannon County SAVE	6,000	5,000
Cannon County Senior Citizens Center	34,000	30,500
Cannon County Youth Dreams	-	4,000
CASA of Rutherford County	29,700	30,000
Child Advocacy Center of Rutherford County	88,434	50,869
Community Food Partners - 2nd Harvest	23,000	23,000
Community Helpers of Rutherford County	275,000	222,000
Crisis Intervention Center	12,642	15,000
Discovery Center of Murfree Spring	15,745	22,000
Domestic Violence Program, Inc.	54,418	56,000
Elders First Adult Day Services	-	3,000
Exchange Club Family Center, Inc.	30,150	28,000
Girl Scouts Council of Cumberland Valley	29,520	30,000
Greenhouse Ministries	-	5,000
Holloway Harbor	4,500	4,500
Hospice of Murfreesboro - MTMC	44,130	29,539
Interfaith Dental Clinic	5,000	5,000
Journeys in Community Living (formerly RCAAC)	104,500	102,378
Kids on the Block: A Program of STARS Nashville	65,000	15,000
Kymari House	7,000	-
Legal Aid Society of Middle Tennessee	17,700	16,000
MCHRA - Homemaker Program	71,190	50,000
MCHRA - Long-term Care Ombudsman Program	3,000	3,000
MCHRA - Meals on Wheels & Senior Dining	47,700	45,000
MCHRA - Youth-CAN-Career Action Network	59,377	40,000
MCS - Franklin Heights Tutoring and Homework Help	18,856	22,500
Nurses for Newborns Foundation	15,000	13,000
Project Help - Middle Tennessee State University	-	100,000
Read To Succeed	5,000	4,000
Rutherford Co. Books from Birth	3,000	3,000
Rutherford Co. Emergency Food Bank	58,000	59,000
Rutherford Co. Primary Care & Hope Clinic	70,000	60,000
Rutherford Co. Schools' Charity Fund	27,000	20,000
Sexual Assault Services of Domestic Violence Program	10,500	11,500
Smyrna-Lavergne Food Bank	76,640	73,545
St. Clair Street Senior Center	42,000	36,000
STARS Nashville	-	35,000
Tennessee Poison Center	12,000	12,000
The Guidance Center	50,000	50,000
The Journey Home	2,250	3,000
The Salvation Army	106,700	90,500
Vanderbilt Bill Wilkerson Center	-	3,700
Wee Care Day Care Center	27,790	30,000
West Main Mission	50,126	52,897
Woodbury United Methodist Church	7,000	5,000
Total	$ 2,061,502	$ 1,839,248

See accompanying notes to financial statements and independent auditors' report

UNITED WAY OF RUTHERFORD COUNTY
DBA UNITED WAY OF RUTHERFORD AND CANNON COUNTIES
SCHEDULE OF INVESTMENT IN COMMUNITY
FOR THE YEAR ENDED JUNE 30, 2015

From July 1, 2014 to June 30, 2015, United Way of Rutherford County dba United Way of Rutherford and Cannon Counties (United Way) was able to see a $12 return for every $1 invested in the operation of United Way.

For the year ended June 30 2015, $1,011,648 was returned back into the community through the Volunteer Income Tax Assistance Program and $448,836 was saved by the FamilyWize Prescription Discount Program. United Way also recruited volunteers, making a $176,048 impact throughout this time frame. United Way also organized several volunteer events (Hometown Huddle, Stuff the Bus and the Community Baby Shower) that resulted in $38,750 worth of in-kind donations and supplies and materials.

Additionally, United Way invested $2,670,201 in the areas of education, income and health to improve lives In Rutherford and Cannon counties. United Way partner programs were able to leverage $619,100 in additional funds because of their partnership with United Way. United Way was also the sole provider of the 2-1-1 program to Rutherford and Cannon counties with an investment of $24,000.

From July 1, 2013 to June 30, 2014, United Way of Rutherford County dba United Way of Rutherford and Cannon Counties (United Way) was able to see an $11 return for every $1 invested in the operation of United Way.

For the year ended June 30 2014, $842,893 was returned back into the community through the Volunteer Income Tax Assistance Program and $379,333 was saved by the FamilyWize Prescription Discount Program. United Way also recruited volunteers, making an $118,164 impact throughout this time frame. United Way also organized several volunteer events (Hometown Huddle, Stuff the Bus and the Community Baby Shower) that resulted in $21,950 worth of in-kind donations and supplies and materials.

Additionally, United Way invested $2,580,789 in the areas of education, income and health to improve lives In Rutherford and Cannon counties. United Way partner programs were able to leverage $449,816 in additional funds because of their partnership with United Way. United Way was also the sole provider of the 2-1-1 program to Rutherford and Cannon counties with an investment of $26,500.