

NASHVILLE YOUNG WOMEN'S
CHRISTIAN ASSOCIATION

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORTS

JUNE 30, 2008 AND 2007

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Nashville Young Women's Christian Association
Nashville, Tennessee

We have audited the accompanying statements of financial position of the Nashville Young Women's Christian Association (the "YWCA") as of June 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the YWCA's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nashville Young Women's Christian Association as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2008, on our consideration of the YWCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal, state and other awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits 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.

KraftCPAs PLLC

Nashville, Tennessee
October 14, 2008

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 202,923	\$ 150,143
Pledges and other receivables, net of allowance for doubtful accounts of \$1,128 in 2008 and 2007 - Note 5	581,161	91,181
Grants receivable	89,958	102,973
Accounts receivable and prepaids	36,119	36,926
Beneficial interest in charitable remainder trust, net	38,300	41,430
Investments - Note 3	3,094,993	3,263,602
Debt issue costs	14,157	28,314
Land, buildings and equipment, net - Notes 4 and 6	<u>3,407,392</u>	<u>3,388,731</u>
TOTAL ASSETS	<u>\$ 7,465,003</u>	<u>\$ 7,103,300</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 14,148	\$ 19,474
Accrued expenses and withheld taxes	102,811	84,563
Grants payable to subrecipients	4,246	5,846
Deferred revenues	53,261	37,500
Note payable - Note 6	<u>620,133</u>	<u>1,194,238</u>
TOTAL LIABILITIES	<u>794,599</u>	<u>1,341,621</u>
<u>NET ASSETS</u>		
Unrestricted:		
Undesignated	66,377	586,016
Board designated	988,620	1,020,742
Designated for property and equipment, net of related debt	<u>2,801,416</u>	<u>2,222,807</u>
Total unrestricted	3,856,413	3,829,565
Temporarily restricted - Note 7	1,019,255	137,378
Permanently restricted - Note 7	<u>1,794,736</u>	<u>1,794,736</u>
TOTAL NET ASSETS	<u>6,670,404</u>	<u>5,761,679</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,465,003</u>	<u>\$ 7,103,300</u>

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008				2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
REVENUES AND SUPPORT								
Contributions	\$ 1,547,845	\$ 914,319	\$ -	\$ 2,462,164	\$ 930,123	\$ 22,500	\$ 20,142	\$ 972,765
United Way contributions	234,721	-	-	234,721	309,507	-	-	309,507
Grants from federal, state and local agencies	1,320,658	-	-	1,320,658	1,482,029	-	-	1,482,029
Program service fees	4,850	-	-	4,850	6,030	-	-	6,030
Rental income	14,750	-	-	14,750	26,862	-	-	26,862
Other income	69,438	-	-	69,438	179,912	-	-	179,912
Investment income (loss), net	(190,634)	(9,994)	-	(200,628)	330,294	18,493	-	348,787
Net assets released from restrictions	22,448	(22,448)	-	-	96,283	(96,283)	-	-
TOTAL REVENUES AND SUPPORT	3,024,076	881,877	-	3,905,953	3,361,040	(55,290)	20,142	3,325,892
PROGRAM SERVICES								
Educational/employment training	586,301	-	-	586,301	753,613	-	-	753,613
Youth services	92,723	-	-	92,723	68,810	-	-	68,810
Domestic violence	1,510,616	-	-	1,510,616	1,519,172	-	-	1,519,172
TOTAL PROGRAM SERVICES	2,189,640	-	-	2,189,640	2,341,595	-	-	2,341,595
SUPPORTING SERVICES								
Administrative	378,198	-	-	378,198	437,377	-	-	437,377
Development	429,390	-	-	429,390	441,865	-	-	441,865
TOTAL SUPPORTING SERVICES	807,588	-	-	807,588	879,242	-	-	879,242
TOTAL EXPENSES	2,997,228	-	-	2,997,228	3,220,837	-	-	3,220,837
CHANGE IN NET ASSETS	26,848	881,877	-	908,725	140,203	(55,290)	20,142	105,055
NET ASSETS - BEGINNING OF YEAR	3,829,565	137,378	1,794,736	5,761,679	3,689,362	192,668	1,774,594	5,656,624
NET ASSETS - END OF YEAR	\$ 3,856,413	\$ 1,019,255	\$ 1,794,736	\$ 6,670,404	\$ 3,829,565	\$ 137,378	\$ 1,794,736	\$ 5,761,679

See accompanying notes to financial statements.

FOR THE YEAR ENDED JUNE 30, 2008

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2007

	Program Services			Supporting Services		
	Educational/ Employment Training	Youth Services	Domestic Violence	Total	Administration	Development
Salaries	\$ 493,346	\$ 51,841	\$ 877,895	\$ 1,423,082	\$ 186,013	\$ 114,915
Employee benefits and taxes	88,899	6,027	167,229	262,155	46,907	14,135
TOTAL SALARIES AND RELATED EXPENSES	582,245	57,868	1,045,124	1,685,237	232,920	129,050
Professional fees and contracted services						
Supplies	8,914	1,284	41,588	51,786	13,114	160,329
Telephone and postage	12,995	1,197	26,263	40,455	10,292	12,639
Occupancy	16,756	1,168	24,297	42,221	11,082	7,742
Rental and maintenance of equipment	32,702	2,377	93,573	128,652	48,341	8,470
Printing	19,796	1,995	29,839	51,630	22,567	4,460
Travel	88	-	5,166	5,254	6,126	19,912
Conferences, conventions and meetings	3,741	532	15,732	20,005	3,347	228
Specific assistance - other	2,311	33	7,350	9,694	177	74,791
Insurance - general	2,728	-	21,011	23,739	3,172	-
Interest	9,634	1,070	20,708	31,412	8,868	5,256
Bad debt	-	-	65,107	65,107	-	-
Miscellaneous	-	-	-	-	24	24
Grant expenses - subrecipient	5,435	736	12,288	18,459	12,707	8,877
	54,033	-	2,303	56,336	-	-
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	751,378	68,260	1,410,349	2,229,987	372,737	431,754
Depreciation and amortization	2,235	550	108,823	111,608	64,640	10,111
TOTAL EXPENSES	\$ 753,613	\$ 68,810	\$ 1,519,172	\$ 2,341,595	\$ 437,377	\$ 441,865
						\$ 3,220,837

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 908,725	\$ 105,055
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	167,222	183,028
Amortization of debt issue costs	14,157	3,331
Bad debt	4,208	24
Realized and unrealized (gains) losses on investments	294,076	(233,863)
(Increase) decrease in:		
Pledges and other receivables	(494,188)	2,178
Grants receivable	13,015	20,689
Accounts receivable and prepaids	807	(332)
Beneficial interest in charitable remainder trust	3,130	(6,592)
Increase (decrease) in:		
Accounts payable	(5,326)	13,436
Accrued expenses and withheld taxes	18,248	(36,541)
Grants payable to subrecipients	(1,600)	(7,350)
Deferred revenues	15,761	23,853
Contributions received for permanent endowment	<u>-</u>	<u>(20,142)</u>
TOTAL ADJUSTMENTS	<u>29,510</u>	<u>(58,281)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>938,235</u>	<u>46,774</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturation of investments	2,310,554	825,174
Purchase of investments	(2,436,021)	(781,798)
Purchase of land, buildings and equipment	<u>(185,883)</u>	<u>(27,077)</u>
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(311,350)</u>	<u>16,299</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions received for permanent endowment	-	20,142
Payment of long-term debt	<u>(574,105)</u>	<u>(110,323)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(574,105)</u>	<u>(90,181)</u>
INCREASE (DECREASE) IN CASH	52,780	(27,108)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>150,143</u>	<u>177,251</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 202,923</u>	<u>\$ 150,143</u>
INTEREST EXPENSE PAID	<u>\$ 47,041</u>	<u>\$ 65,107</u>

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 AND 2007

NOTE 1 - GENERAL

Nashville Young Women's Christian Association (the "YWCA") is a Tennessee not-for-profit corporation chartered to focus on women and girls who desire to create a better quality of life for themselves and/or their families; to achieve self-sufficiency; and to increase their financial strength. The YWCA is a member of the YWCA of the U.S.A. and pays an annual assessment to the Regional Organization based on expenses and other factors. The assessment amounted to \$22,230 in 2008 (\$16,820 in 2007), and is included in professional fees. The YWCA has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Based on the existence or absence of donor-imposed restrictions, the YWCA classifies resources into three categories: unrestricted, temporarily restricted, and permanently restricted net assets.

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

The Board has designated a portion of unrestricted net assets generally derived from support received from unrestricted legacies. Such designations can be modified at the discretion of future Boards.

- *Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008 AND 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support

Contributions are recognized as revenues in the period unconditionally pledged. The YWCA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period as received are reported as unrestricted support. Donor pledges which are expected to be collected over a period greater than one year are discounted at current interest rates, if material.

The YWCA also receives grant revenue from various federal, state and local agencies. Grant revenue is recognized in the period a liability is incurred for eligible expenditures under the terms of the grant.

Noncash gifts consisting principally of memorabilia donated for fundraisers are not valued when received, but recorded at the realized sales amount in other income in the period of sale.

Contributed services are reported as contribution revenue and as assets or expense when the services would otherwise need to be purchased by the organization, require specialized skills and are provided by persons with those skills. Such contributions are reported at estimated fair value. Public relations and development services contributed to the YWCA amounted to approximately \$67,000 in 2008 (\$113,000 in 2007) and have been recorded as contributions and professional fees and contracted services under development in the supporting services functional expense classification.

Cash Equivalents

Cash equivalents include demand deposits with banks and time deposits with original maturities, when purchased, of three months or less. Time deposits with original maturities, when purchased, of greater than three months are classified as investments.

Pledges, Grants and Other Receivables

Pledges and other receivables are reported net of an allowance for doubtful accounts and are, otherwise, expected to be fully collected. Grants receivable are collectable from local, state, and federal government grantors and generally represent reimbursements for grant specific expenses.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008 AND 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charitable Remainder Trust

The YWCA has been named as the charitable beneficiary of a charitable remainder trust. A charitable remainder trust is a split-interest agreement in which the charitable beneficiary receives its beneficial interest in the donated assets after the noncharitable beneficiary has received benefits for a specified time period (or upon the noncharitable beneficiary's death). At the termination of the agreement, the remaining assets of the trust pass to the charitable beneficiary for its use. A temporarily restricted contribution and related receivable are recognized in the year the trust is established based on the fair value of the assets contributed less the present value of the future payments expected to be made to the noncharitable beneficiary. The expected future payments are based on the actuarial life expectancy of the life income recipient using the discount rate in existence at the time of notification. Discount amortization and any revaluations of expected future payments to the donor or other beneficiaries are recognized as periodic adjustments to the receivable. Corresponding changes in the value of split interest agreements are recognized currently and included in temporarily restricted contributions.

Investments

Investments in money market accounts and equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, with unrealized gains and losses recognized currently in the statement of activities.

Debt Issue Costs

Debt issue costs are capitalized and amortized by the straight-line method over the term of the related debt. In the event the related debt is paid off in advance, any unamortized issue costs will be expensed in the year the debt is extinguished.

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost. Equipment purchases less than \$2,000 are generally expensed. Depreciation is calculated using the straight-line method to allocate the cost of depreciable assets over their estimated useful lives. The general range of useful lives is fifteen to forty years for buildings and improvements and three to seven years for equipment and vehicles.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008 AND 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenues

Deferred revenues consist of program service fees received prior to year end to pay for program services deliverable in the following fiscal year. Such revenues are recognized in the year earned.

Rental Income

A portion of the facility is leased out from time to time on a short term basis. The minimum future rental commitment under such leases was not significant as of June 30, 2008.

Functional Allocation of Expenses

Expenses are reported by functional expense categories on the basis of direct or indirect attribution. Allocations are based on common demographics, physical or other factors. Unallocable expenses or expenses without reasonable bases for allocation are reported as administrative supporting services.

The following program and supporting services are included in the accompanying financial statements:

Program Services

Educational/Employment Training - This program contains two main components: 1) an adult education program, and 2) a transition program for incarcerated women. The adult education program is open to all Davidson county residents, over the age of 18, who have not obtained a high school diploma. This program provides training and resources to help individuals obtain a GED and/or increase literacy levels. The program is conducted at five community sites, which are located near major bus lines.

The transition program for incarcerated women is a residential addictions treatment program at the Tennessee Prison for Women. The program assists in transitioning women through a three-phase program that allows them to address addiction issues, violence, criminal thinking patterns, and employment support.

Youth Services - This program uses a research-based curriculum that develops 5th and 6th grade girls' leadership skills, knowledge about safety issues, and abilities to resist stereotypes. During fiscal year 2008, the YWCA partnered with the Girls, Inc. agency to form the program, "Girls, Inc.," at the YWCA.

Additionally, the YWCA continues its Youth Advantage program which helps prepare young people for independence, through job preparation workshops and job placement.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008 AND 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Services (Continued)

Domestic Violence - The YWCA Weaver Domestic Violence Center provides a 24-hour crisis line, a comprehensive emergency shelter program, children's therapeutic programming, an on-site clinic, legal advocacy, individualized case management, support groups in the community and in shelter, and outreach and community education. Over the past two years, the YWCA has helped thousands of individuals in times of crisis by sheltering them and guiding them through the civil legal process. The YWCA also increases domestic violence awareness in the community via outreach programs.

Supporting Services

Administrative - Includes costs related to the overall direction of the YWCA. These expenses are not identifiable with a particular program or with fundraising, but are indispensable to the conduct of those activities and are essential to the YWCA. Specific activities include organization oversight, business management, human resource function, finance and accounting services, training and coordinating volunteers, property and technology oversight, and other administrative duties.

Development - Includes costs of activities directed toward grant writing, donor tracking, public relations, and fundraising. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration Risks

The YWCA maintains its cash accounts in one commercial bank. The amount on deposit at June 30, 2008, exceeded the insurance limits of the Federal Deposit Insurance Corporation by approximately \$315,000.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008 AND 2007

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration Risks (Continued)

Securities held in broker/dealer accounts are insured by the Securities Investor Protection Corporation (SIPC), up to \$500,000 per broker/dealer, in certain circumstances such as fraud or failure of the institution. Accounts held by one broker/dealer, which exceed SIPC limits, are covered by additional protection through the Customer Asset Protection Company. Under this program, cash and fully paid securities are not subject to any dollar amount limitation. Accounts held by another broker/dealer are also insured by the SIPC and covered through the Customer Asset Protection Company. Under this program, cash and fully paid securities are covered by an additional \$124.5 million of insurance. The SIPC and additional protection do not insure against market risk.

Pledges and other receivables are subject to collection risk. Management provides an allowance for uncollectible accounts based on discrete analysis of accounts and historical collection experience.

NOTE 3 - INVESTMENTS

Investments are summarized as follows as of June 30:

	2008		2007	
	Fair Value	Cost	Fair Value	Cost
Money market accounts	\$ 927,828	\$ 927,828	\$ 1,021,116	\$ 1,021,116
Certificates of deposit	450,000	450,000	370,000	370,000
Preferred stock	17,478	14,924	-	-
Common stock	717,463	678,249	663,282	522,116
Mutual funds	982,224	822,629	1,209,204	824,931
	<u>\$ 3,094,993</u>	<u>\$ 2,893,630</u>	<u>\$ 3,263,602</u>	<u>\$ 2,738,163</u>

Investment expenses of \$11,598 were included with investment losses for the year ended June 30, 2008 (\$9,473 netted against investment gains for the year ended June 30, 2007).

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008 AND 2007

NOTE 4 - LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following as of June 30:

	<u>2008</u>	<u>2007</u>
Land	\$ 405,763	\$ 405,763
Buidings and improvements	4,652,147	4,635,908
Office equipment	733,961	716,225
Program equipment	36,598	36,598
Automobile	30,606	30,606
Construction in progress	<u>159,000</u>	<u>7,092</u>
	6,018,075	5,832,192
	<u>(2,610,683)</u>	<u>(2,443,461)</u>
Less: accumulated depreciation		
	<u>\$ 3,407,392</u>	<u>\$ 3,388,731</u>

Construction in progress pertains to the installation of a new HVAC unit. The YWCA anticipates the installation to be completed by October 2008 at an estimated additional cost of \$10,500.

Depreciation expense recognized by the YWCA amounted to \$167,222 and \$183,028 for the years ended June 30, 2008 and 2007, respectively.

NOTE 5 - PLEDGES AND OTHER RECEIVABLES

Pledges receivable and other receivables consist of the following as of June 30:

	<u>2008</u>	<u>2007</u>
Due within one year	\$ 568,489	\$ 63,994
Due within two to five years	<u>13,800</u>	<u>28,315</u>
	582,289	92,309
Less: allowance for doubtful accounts	<u>(1,128)</u>	<u>(1,128)</u>
	<u>\$ 581,161</u>	<u>\$ 91,181</u>

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008 AND 2007

NOTE 6 - LONG-TERM DEBT

Long-term debt consists of the following as of June 30:

	<u>2008</u>	<u>2007</u>
Note payable to Regions Equipment Financial Corporation - payable in monthly principal and interest installments of \$7,053. Interest is charged at a fixed rate of 5.19%. All unpaid principal and interest are due December 6, 2015.	\$ 620,133	\$ 1,194,238

In December 2005, the YWCA entered into a loan agreement with Regions Equipment Financial Corporation ("Regions"), evidenced by a note payable in the original principal amount of \$1,366,327. The note is secured by a negative pledge, which places certain restrictions on the YWCA's ability to create, incur, assume or suffer to exist any additional lien on the Domestic Violence Intervention Center. The agreement includes debt covenants requiring, among other things, that the YWCA maintain a specified debt service coverage ratio and a minimum unrestricted investment balance. The YWCA was in compliance with both of these requirements at June 30, 2008.

Scheduled principal maturities of long-term debt, by year, are as follows as of June 30, 2008:

Year ending June 30,

2009	\$ 64,382
2010	73,810
2011	77,733
2012	81,865
2013	86,216
Thereafter	<u>236,127</u>
	<u>\$ 620,133</u>

During the year, pursuant to a debt elimination "Burn the Mortgage" campaign, the YWCA made principal payments of \$574,105, exceeding required principal payments by \$467,831.

Subsequent to year end, the YWCA made an additional payment on the note of \$100,000.

The YWCA also has an unsecured, \$250,000 revolving line of credit agreement with a bank, with interest on outstanding borrowings charged at a fluctuating rate equal to the prime rate. There were no borrowings made under this agreement during fiscal years 2008 or 2007.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008 AND 2007

NOTE 7 - RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes as of June 30:

	<u>2008</u>	<u>2007</u>
Scholarship fund	\$ 44,675	\$ 53,778
Beneficial interest in charitable remainder trust, net	38,300	41,430
Domestic Violence program	7,409	11,846
Education program	214,552	26,324
Youth Advantage program	-	4,000
Girls, Inc. Youth program	50,000	-
Burn the Mortgage Campaign	662,964	-
Other	1,355	-
Total temporarily restricted net assets	<u>\$ 1,019,255</u>	<u>\$ 137,378</u>

Permanently restricted net assets at June 30, 2008 and 2007 consist entirely of endowment funds. Income from endowment funds is unrestricted.

NOTE 8 - RETIREMENT PLAN

Employees of the YWCA participate in the Young Women's Christian Association of America Retirement Fund (the "Fund") upon completion of two years of employment. The YWCA does not administer this Fund. Payments are made by the YWCA to the Fund on behalf of eligible employees based on the employees' compensation.

Pension expense recognized by the YWCA was approximately \$32,000 and \$31,000 for the years ended June 30, 2008 and 2007, respectively.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The YWCA has received certain federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for any potential reimbursements to the grantors.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008 AND 2007

NOTE 10 - PENDING ADOPTION OF ACCOUNTING STANDARD

In July 2006, the Financial Accounting Standards Board (FASB) issued Financial Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109*, which is effective for fiscal years beginning after December 15, 2007. FIN 48 provides guidance regarding the recognition, measurement, presentation and disclosure in the financial statements of tax positions taken or expected to be taken on a tax return, including the decision whether to file in a particular jurisdiction. The cumulative effect of changes arising from the initial application of FIN 48 is required to be reported as an adjustment to the opening balance of net assets in the period of adoption.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 (FAS-157), *Fair Value Measurements*. FAS-157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. The provisions of FAS-157 are effective for fiscal years beginning after November 15, 2007.

In February, 2007, the FASB issued Statement of Financial Accounting Standards No. 159 (FAS-159), *The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115*. The fair value option established by FAS-159 permits all entities to choose to measure eligible items at fair value at specified election dates. A not-for-profit entity will report unrealized gains and losses on items for which the fair value option has been elected in the statement of activities at each subsequent reporting date. FAS-159 is effective for fiscal years beginning after November 15, 2007.

The YWCA is currently evaluating the impact, if any, of the adoption of these pronouncements on the financial statements.

ADDITIONAL INFORMATION

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

GRANT DESCRIPTION	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED) DEFERRED REVENUE 6/30/07	7/1/07 - 6/30/08		(ACCRUED) DEFERRED REVENUE 6/30/08
						RECEIPTS	EXPENDITURES	
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
PASSED THROUGH METROPOLITAN DEVELOPMENT AND HOUSING AGENCY								
Emergency Shelter Grant Program	14.231	S01MC47004	4/1/07 - 3/31/08	\$ 12,579	\$ (315)	\$ 12,894	\$ 12,579	\$ -
US DEPARTMENT OF JUSTICE								
OVW-Elder Abuse	16.528	2007-EW-AX-K010	10/1/07 - 9/30/10	323,430	-	69,875	84,129	(14,254)
PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS:								
Victims of Crime Act (VOCA)	16.575	(1) Z-07-033156-00	7/1/06 - 6/30/09	318,636	(6,166)	111,650	106,212	(728)
STOP Violence Against Women	16.588	(1) Z-07-033022-00	7/1/06 - 6/30/09	189,831	-	57,580	63,277	(5,697)
OVW-Transitional Housing	16.736	GR-06-17615-00	9/1/05 - 8/31/08	165,516	(5,419)	62,812	70,013	(12,620)
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS					(11,585)	232,042	239,502	(19,045)
PASSED THROUGH TENNESSEE COALITION AGAINST DOMESTIC & SEXUAL VIOLENCE								
Legal Assistance for Victims Grant Program	16.524	2004WLA-X0024	1/1/07 - 12/31/08	60,000	(978)	25,936	25,726	(768)
TOTAL US DEPARTMENT OF JUSTICE					(12,563)	327,853	349,357	(34,067)
US DEPARTMENT OF HEALTH AND HUMAN SERVICES								
PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS:								
Family Violence Shelter Programs	93.671	(1) Z-05-021966-00	7/1/05 - 6/30/07	391,932	(64)	64	-	-
Family Violence Shelter Programs	93.671	(1) Z-05-021989-00	7/1/07 - 6/30/10	391,932	-	126,703	130,644	(3,941)
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS					(64)	126,767	130,644	(3,941)
PASSED THROUGH TENNESSEE DEPARTMENT OF HUMAN SERVICES								
Families First - Client Services	93.558	GR-07-18102-00	7/1/06 - 6/30/07	317,600	(44,238)	44,238	-	-
PASSED THROUGH TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT								
Families First - Adult Education	93.558	Z-07-034276-00	7/1/06 - 6/30/07	162,554	(10,375)	10,375	-	-
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES					(54,677)	181,380	130,644	(3,941)

(continued on next page)

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

GRANT DESCRIPTION	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED) DEFERRED REVENUE	7/1/07 - 6/30/08		(ACCRUED) DEFERRED REVENUE
					6/30/07	RECEIPTS	EXPENDITURES	6/30/08
<u>US DEPARTMENT OF LABOR</u>								
PASSED THROUGH TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT								
Families First - Adult Education	17.267	GR-08-23129-00	1/1/08 - 6/30/08	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ -
<u>US DEPARTMENT OF EDUCATION</u>								
PASSED THROUGH TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT								
Families First - Adult Education	84.002	Z-08-020845-00	7/1/07 - 6/30/09	100,605	-	100,162	100,162	-
<u>US DEPARTMENT OF HOMELAND SECURITY</u>								
PASSED THROUGH THE EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM:								
Emergency Food and Shelter National Board Program	97.024	LROID-765200-008	11/1/06 - 10/31/07	16,903	(8,451)	8,451	-	-
Emergency Food and Shelter National Board Program	97.024	LROID-765200-008	11/1/07 - 10/31/08	15,330	-	15,330	10,206	5,124
TOTAL US DEPARTMENT OF HOMELAND SECURITY								
TOTAL EXPENDITURES OF FEDERAL AWARDS								
EXPENDITURES OF STATE AND OTHER AWARDS								
Tennessee Department of Corrections	State	GR-07-17835-00	7/1/06 - 6/30/07	181,086	(22,499)	22,499	-	-
Tennessee Department of Corrections	State	GR-08-20865-00	7/1/07 - 6/30/08	181,086	-	152,664	174,774	(22,110)
Tennessee Department of Labor	State	Z-08-201273-00	12/1/07 - 6/30/08	95,371	-	71,972	95,371	(23,399)
Metro Government of Nashville and Davidson County	Local	L-1905	7/1/07 - 6/30/08	361,000	-	361,000	361,000	-
Metro Government of Nashville and Davidson County	Local	TN 37B504017	7/1/03 - 6/30/07	46,566	(4,468)	4,468	-	-
Metro Government of Nashville and Davidson County	Local	TN 37B604015	7/1/07 - 6/30/08	46,566	-	40,124	46,565	(6,441)
TOTAL EXPENDITURES OF STATE AND OTHER AWARDS								
TOTAL EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS								

(1) Denotes a Major Program

BASIS OF PRESENTATION

This schedule includes the federal and state grant activity of Nashville Young Women's Christian Association, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*.