

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2007 AND 2006

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2007 AND 2006

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Young Men's Christian Association of Middle Tennessee
Nashville, Tennessee

We have audited the accompanying statements of financial position of the Young Men's Christian Association of Middle Tennessee (the "YMCA") as of December 31, 2007 and 2006, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the YMCA'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, as to the 2007 financial statements, in accordance with the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. (The 2006 financial statements of the YMCA were not required to be, and were not, audited in accordance with *Government Auditing Standards*.) 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 Young Men's Christian Association of Middle Tennessee as of December 31, 2007 and 2006, 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 June 30, 2008 on our consideration of the YMCA'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 important for assessing the results of our audit for the year ended December 31, 2007.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the YMCA taken as a whole. The accompanying schedule of expenditures of federal 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. The schedule of expenditures of state awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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
June 30, 2008

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and cash equivalents - Note 2	\$ 15,023,795	\$ 11,375,537
Accounts and grants receivable	445,302	321,786
Contributions receivable, net - Note 4	14,056,507	20,531,217
Property, plant and equipment, net - Note 6	107,263,700	97,771,103
Prepaid expenses	897,798	1,159,305
Bond issue costs, net - Note 3	448,992	328,776
Cash restricted for investment in property and equipment - Note 2	27,461,005	5,084,503
Investments - Note 5	375,388	344,367
 TOTAL ASSETS	 <u>\$ 165,972,487</u>	 <u>\$ 136,916,594</u>
<u>LIABILITIES AND NET ASSETS</u>		
 LIABILITIES		
Accounts payable and accrued expenses	\$ 5,843,244	\$ 4,116,461
Derivative liability - interest rate swap - Note 8	2,906,758	1,630,096
Debt:		
Notes payable - Note 8	2,316,571	10,841,752
Bonds payable - Note 8	62,680,000	33,740,000
Capital lease obligations - Note 13	3,671,062	2,527,380
Deferred compensation obligation - Note 4	375,388	344,367
Deferred revenue:		
Membership dues	1,139,402	1,209,015
Deferred lease revenue - Note 7	1,854,726	1,947,320
Grants	-	85,178
 TOTAL LIABILITIES	 <u>80,787,151</u>	 <u>56,441,569</u>
 LEASES, COMMITMENTS AND CONTINGENCIES - Notes 9 and 13		
 NET ASSETS		
Unrestricted:		
Board designated for:		
Contingency reserve	1,623,041	1,560,050
Major maintenance reserve	623,388	599,773
Capital asset reserve	3,464,591	3,674,936
Undesignated	59,294,165	49,024,546
Total unrestricted	65,005,185	54,859,305
Temporarily restricted	20,180,151	25,615,720
 TOTAL NET ASSETS	 <u>85,185,336</u>	 <u>80,475,025</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 165,972,487</u>	 <u>\$ 136,916,594</u>

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007		
	Unrestricted	Temporarily Restricted	Totals
REVENUES AND SUPPORT			
Contributions	\$ 5,787,593	\$ 2,781,587	\$ 8,569,180
Special events	55,867	-	55,867
United Way	121,585	-	121,585
Grants	3,015,658	-	3,015,658
Memberships	43,884,805	-	43,884,805
Program fees	21,796,737	-	21,796,737
Sales to members	515,297	-	515,297
Investment income	1,058,031	-	1,058,031
Consulting and management fees	127,273	-	127,273
Other income	674,040	-	674,040
Unrealized gain (loss) on investments, net	31,021	-	31,021
Net assets released from restrictions - satisfaction of purpose restrictions	<u>8,217,156</u>	<u>(8,217,156)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>85,285,063</u>	<u>(5,435,569)</u>	<u>79,849,494</u>
EXPENSES			
Program services	63,920,987	-	63,920,987
Administrative	9,378,114	-	9,378,114
Fundraising	<u>1,840,082</u>	<u>-</u>	<u>1,840,082</u>
TOTAL EXPENSES	<u>75,139,183</u>	<u>-</u>	<u>75,139,183</u>
CHANGE IN NET ASSETS	10,145,880	(5,435,569)	4,710,311
NET ASSETS - BEGINNING OF YEAR	<u>54,859,305</u>	<u>25,615,720</u>	<u>80,475,025</u>
NET ASSETS - END OF YEAR	<u>\$ 65,005,185</u>	<u>\$ 20,180,151</u>	<u>\$ 85,185,336</u>

See accompanying notes to financial statements.

2006		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
\$ 3,806,224	\$ 15,427,347	\$ 19,233,571
66,872	-	66,872
122,922	-	122,922
2,882,712	-	2,882,712
37,696,472	-	37,696,472
20,578,281	-	20,578,281
531,575	-	531,575
686,735	-	686,735
150,110	-	150,110
645,116	-	645,116
39,945	-	39,945
<u>1,590,417</u>	<u>(1,590,417)</u>	<u>-</u>
<u>68,797,381</u>	<u>13,836,930</u>	<u>82,634,311</u>
56,770,865	-	56,770,865
8,084,265	-	8,084,265
<u>1,712,054</u>	<u>-</u>	<u>1,712,054</u>
<u>66,567,184</u>	<u>-</u>	<u>66,567,184</u>
2,230,197	13,836,930	16,067,127
<u>52,629,108</u>	<u>11,778,790</u>	<u>64,407,898</u>
<u>\$ 54,859,305</u>	<u>\$ 25,615,720</u>	<u>\$ 80,475,025</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,710,311	\$ 16,067,127
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	5,859,726	5,225,870
Loss on disposition of property and equipment	-	16,704
Unrealized (gain) loss on investments, net	(31,021)	(39,945)
Change in derivative liability - interest rate swap	1,276,662	(687,050)
Pledges for property, plant and equipment	(2,302,158)	(14,516,900)
(Increase) decrease in:		
Accounts and grants receivable	(123,516)	(10,974)
Prepaid expenses and other	261,507	362,685
Increase (decrease) in:		
Accounts payable and accrued expenses	818,313	80,398
Deferred compensation obligation	31,021	39,945
Deferred lease revenue	(92,594)	1,947,320
Deferred revenue - other	(154,791)	136,899
TOTAL ADJUSTMENTS	<u>5,543,149</u>	<u>(7,445,048)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>10,253,460</u>	<u>8,622,079</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, plant and equipment	(11,663,173)	(11,236,499)
(Increase) decrease in cash restricted for investment in property, plant and equipment	<u>(22,376,502)</u>	<u>(3,054,490)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(34,039,675)</u>	<u>(14,290,989)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds received from pledges for property, plant and equipment	8,776,865	3,734,461
Principal payments on notes and bonds payable	(12,192,181)	(3,623,906)
Proceeds from notes payable	1,167,000	7,540,057
Proceeds from bonds payable	31,440,000	-
Additions to capitalized bond costs	(174,304)	-
Principal payments on capital lease obligations	<u>(1,582,907)</u>	<u>(608,074)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>27,434,473</u>	<u>7,042,538</u>
INCREASE IN CASH	3,648,258	1,373,628
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>11,375,537</u>	<u>10,001,909</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 15,023,795</u>	<u>\$ 11,375,537</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES:		
Non-cash investing and financing activities:		
Equipment acquired under capitalized leases	\$ 2,726,592	\$ 2,580,067
Accounts payable for construction-in-progress	\$ 908,470	\$ -
Interest expense paid	\$ 2,419,506	\$ 2,135,940

See accompanying notes to financial statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>			
	<u>PROGRAM</u>	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
	<u>SERVICES</u>	<u>ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	
Salaries and instructors' fees	\$ 29,265,467	\$ 3,904,586	\$ 843,085	\$ 34,013,138
Employee benefits	2,985,650	446,930	165,062	3,597,642
Payroll taxes and workman's compensation	<u>2,689,102</u>	<u>291,110</u>	<u>58,882</u>	<u>3,039,094</u>
 TOTAL SALARIES AND RELATED EXPENSES	 34,940,219	 4,642,626	 1,067,029	 40,649,874
 Purchased services	 1,498,931	 1,516,551	 210,431	 3,225,913
Supplies and general expenses	4,565,704	392,668	136,698	5,095,070
Telephone	781,316	156,527	11,945	949,788
Postage and shipping	77,490	183,286	6,766	267,542
Occupancy costs	6,690,743	288,373	-	6,979,116
Financing costs	2,202,435	217,071	-	2,419,506
Change in derivative liability	1,162,124	114,538	-	1,276,662
Equipment costs	1,836,203	807,568	5,580	2,649,351
Printing and publications	553,714	515,328	53,229	1,122,271
Travel	813,453	208,513	52,896	1,074,862
Membership dues	322,018	-	2,970	324,988
Assistance, awards and grants	250,375	-	236,087	486,462
Conferences, conventions and meetings	 977,717	 219,788	 19,016	 1,216,521
Insurance	474,257	9,024	-	483,281
Miscellaneous	<u>914,562</u>	<u>106,253</u>	<u>37,435</u>	<u>1,058,250</u>
 TOTAL EXPENSES BEFORE DEPRECIATION AND AND AMORTIZATION	 58,061,261	 9,378,114	 1,840,082	 69,279,457
 Depreciation and amortization	 <u>5,859,726</u>	 <u>-</u>	 <u>-</u>	 <u>5,859,726</u>
 TOTAL EXPENSES	 <u>\$ 63,920,987</u>	 <u>\$ 9,378,114</u>	 <u>\$ 1,840,082</u>	 <u>\$ 75,139,183</u>

See accompanying notes to financial statements.

2006

PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
	ADMINISTRATIVE	FUNDRAISING	
\$ 26,927,528	\$ 3,446,739	\$ 784,182	\$ 31,158,449
2,563,305	406,849	162,750	3,132,904
2,530,011	273,833	56,789	2,860,633
32,020,844	4,127,421	1,003,721	37,151,986
1,418,201	1,047,493	230,642	2,696,336
4,008,584	364,622	124,451	4,497,657
712,176	117,794	8,295	838,265
86,466	184,422	13,107	283,995
6,274,106	252,017	-	6,526,123
1,917,197	218,743	-	2,135,940
(616,689)	(70,361)	-	(687,050)
1,773,516	523,680	6,917	2,304,113
551,201	740,098	124,439	1,415,738
781,098	216,176	35,111	1,032,385
306,763	-	5,215	311,978
249,375	-	95,338	344,713
966,989	235,340	17,584	1,219,913
430,440	6,672	-	437,112
664,728	120,148	47,234	832,110
51,544,995	8,084,265	1,712,054	61,341,314
5,225,870	-	-	5,225,870
\$ 56,770,865	\$ 8,084,265	\$ 1,712,054	\$ 66,567,184

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Young Men's Christian Association of Middle Tennessee (the "YMCA") is a worldwide charitable fellowship united by a common loyalty to Jesus Christ for the purpose of helping persons grow in spirit, mind and body. The YMCA is working to build strong kids, strong families and strong communities and currently serves approximately 270,000 members at twenty-eight YMCA centers throughout seven Middle Tennessee counties and Scottsville, Kentucky. YMCA programs encompass a variety of areas including youth and teen programs, adult and family programs, outreach and wellness.

Basis of Presentation

The financial statements of the YMCA present the combined accounts and operations of the Corporate Office and all YMCA centers and have been prepared on the accrual basis of accounting. All significant transactions and balances between and among the Corporate Office and the centers have been eliminated in combination.

Resources are classified as unrestricted, temporarily restricted and permanently restricted net assets, based on the existence or absence of donor-imposed restrictions, as follows:

- *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.
- *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. As of December 31, 2007 and 2006, all temporarily restricted net assets were from contributions and pledges for capital improvements at the various YMCA facilities and expansion of the Maddox YMCA, the Northwest YMCA, the Downtown YMCA Center and the Joe C. Davis YMCA Outdoor Center.
- *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. The YMCA had no permanently restricted net assets as of December 31, 2007 or 2006.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Unrestricted net assets include three board-designated reserves as follows:

- Contingency reserve - for supplementing YMCA programs in the event of an operating cash shortfall.
- Major maintenance reserve - for major replacement costs or bond payments in the event of a catastrophe.
- Capital asset reserve - for major equipment additions or building improvements in the event of an operating cash shortfall.

Contributions and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (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. However, if a restriction is fulfilled in the same time period in which the contribution is received, the support is reported as unrestricted.

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

Any gifts of equipment or materials are reported as unrestricted support unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

Donated Services

Many individuals volunteer their time and perform a variety of tasks for or on behalf of the YMCA. During 2007 and 2006, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consist principally of checking account balances, money market funds, and certificates of deposit with original maturities of 90 days or less.

Investments

Investments are carried at the quoted market value of the securities on the last business day of the reporting period. Net realized and unrealized gains and losses are reflected in the Statement of Activities.

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. 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 discount on those amounts is computed using a risk-free interest rate applicable to the year in which the promise is received (3.45% in 2007; 4.70% in 2006). Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The allowance for uncollectible contributions is provided based on management's estimate of uncollectible pledges and historical trends.

Property, Plant and Equipment and Depreciation

Land, building, equipment and furniture are reported at cost at the date of purchase or at estimated fair value at date of gift to the YMCA. The YMCA's policy is to capitalize purchases with a cost of \$5,000 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets ranging from three to fifteen years for equipment and furniture, five years for software, fifteen years for land improvements and forty years for buildings.

Management reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The YMCA assesses recoverability of the carrying value of the asset by estimating future net cash flows expected to result from the assets, including eventual disposition. If the future cash flows are less than the carrying value of the asset, an impairment loss is recorded equal to the difference between the asset's carrying value and its estimated fair value.

Bond Issue Costs and Amortization

Bond issue costs are capitalized and amortized by the straight-line method over the term of the related bond issue.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The cost of compensated absences or paid time off ("PTO") is accrued for full-time staff members in the period earned. Staff members accumulate PTO hours to be used when they wish or need to be away from work for various reasons, including vacation, personal illness, holiday, personal time, bereavement, etc. Current policy is to allow employees to earn monthly credits in hours based on years of service as follows: 15 years and over - 30.00 hours; 10 to 14 years - 26.66 hours; 5 to 9 years - 23.30 hours; and 0 to 4 years - 20.00 hours. The maximum allowable carryover of PTO credits is based on years of service as follows: 15 years and over - 360 hours; 10 to 14 years - 320 hours; 5 to 9 years - 280 hours; and 0 to 4 years - 240 hours.

Derivatives

The YMCA utilizes derivative financial instruments to manage its interest rate exposure by reducing the impact of fluctuating interest rates on its debt service requirements. Derivatives are recognized as either assets or liabilities in the statement of financial position at fair value. Changes in the fair value of derivatives are recognized currently in the statement of activities and allocated to functional expenses on the same basis as financing costs.

Deferred Revenue

Deferred revenue consists of membership dues, unearned revenue from a lease, a prepaid payment for operational and maintenance costs from a lease, and unearned grant revenue.

Income from membership dues is deferred initially and recognized over the periods to which the dues relate.

Deferred lease revenue is recognized into income on the straight-line method over the term of the lease.

The reimbursement for operational and maintenance costs relating to a lease is recognized as the actual costs are incurred which is currently expected to represent a term of approximately 15 years.

Grant funds received prior to expenditure are recorded initially as deferred revenue and recognized in the period a liability is incurred for eligible expenditures under the terms of the grant.

Income Taxes

The YMCA qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services

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

Program services - includes activities carried out to fulfill the YMCA's mission to provide nurturing and healthy development of children, teens, adults, seniors, families and communities.

Supporting services

Administrative - relates to the overall direction of the organization. These expenses are not identifiable with a particular program or event or with fundraising, but are indispensable to the conduct of those activities and are essential to the organization. Specific activities include organization oversight, business management, recordkeeping, budgeting, financing, and other administrative activities.

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Use of Estimates in the Preparation of Financial Statements

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.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of the following at December 31:

	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$ 11,459,413	\$ 4,750,916
Bond proceeds - not yet spent	21,337,361	-
Columbia Strategic Cash Portfolio - restricted cash in 2007	<u>9,688,026</u>	<u>11,709,124</u>
	<u>\$ 42,484,800</u>	<u>\$ 16,460,040</u>

Cash and cash equivalents are presented in the statement of financial position as follows:

	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$ 15,023,795	\$ 11,375,537
Cash restricted for investment in property and equipment	<u>27,461,005</u>	<u>5,084,503</u>
	<u>\$ 42,484,800</u>	<u>\$ 16,460,040</u>

As part of its cash management strategy, the YMCA invested in the Columbia Strategic Cash Portfolio. In December 2007, Columbia Management, a unit of Bank of America, closed the portfolio to new investments and redemptions and began an orderly liquidation of the portfolio's assets for distribution to the unit holders, thereby restricting the YMCA's ability to withdraw these funds. As of June 30, 2008, approximately \$5.8 million of the balance has been distributed with the majority of the remaining balance expected later in 2008. Based on the quoted market value of the portfolio as of December 31, 2007, the YMCA recognized a loss on the Columbia Strategic Cash Portfolio of \$164,905 in 2007 (\$-0- in 2006), which has been netted against other income in the statement of activities.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 3 - BOND ISSUE COSTS

Capitalized bond issue costs consisted of the following at December 31:

	<u>2007</u>	<u>2006</u>
Bond issue costs	\$ 722,264	\$ 547,960
Less: accumulated amortization	<u>(273,272)</u>	<u>(219,184)</u>
	<u>\$ 448,992</u>	<u>\$ 328,776</u>

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following at December 31:

	<u>2007</u>	<u>2006</u>
Temporarily restricted:		
Less than one year	\$ 5,881,433	\$ 10,052,532
One to five years	8,841,741	11,116,711
Five years and greater	<u>1,208,645</u>	<u>1,490,469</u>
	15,931,819	22,659,712
Less allowance for uncollectible contributions	(1,000,000)	(800,000)
Less discount to net present value	<u>(875,312)</u>	<u>(1,328,495)</u>
Total	<u>\$ 14,056,507</u>	<u>\$ 20,531,217</u>

Conditional promises to give that were not recognized as support initially consisted of the following at December 31:

	<u>2007</u>	<u>2006</u>
Robertson County YMCA Capital Campaign	\$ 6,450	\$ 6,950
Northwest YMCA Capital Campaign	<u>900,000</u>	<u>1,200,000</u>
	<u>\$ 906,450</u>	<u>\$ 1,206,950</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 4 - CONTRIBUTIONS RECEIVABLE (CONTINUED)

In December 2004, the YMCA received a challenge grant in the amount of \$4,500,000 from the Joe C. Davis Foundation to support the YMCA's efforts to expand the current Center and to build a resident outdoor camping program and facility for use by the YMCA at the Joe C. Davis YMCA Outdoor Center. During 2006, this challenge grant was increased \$500,000 and was subject to the YMCA's ability to raise an additional \$5,000,000 for the Overnight Camp program prior to December 31, 2006. The conditions of the challenge grant were met during 2006, and the entire amount was recorded as a contribution receivable and temporarily restricted support as of and for the year ended December 31, 2006. The entire balance of this challenge grant was collected in January 2007.

During 2006, the YMCA was notified by two donors that they will recommend to the Community Foundation of Middle Tennessee, Inc. (the "Foundation") that gifts totaling \$1,500,000 be made to the YMCA over a five-year period for the Northwest YMCA Capital Campaign. Two payments of \$300,000 have been approved by the Foundation and recognized as support by the YMCA in 2006 and 2007, respectively. The Foundation has final authority over these donor recommendations, which are advisory only and, accordingly, the balance of these contributions will not be recognized until the period approved by the Foundation.

NOTE 5 - INVESTMENTS AND DEFERRED COMPENSATION OBLIGATION

Investments consist of an equity mutual fund, which had a value of \$375,388 at December 31, 2007 (\$344,367 in 2006). These investments are held in a "rabbi trust" for the purpose of accumulating assets designated to meet the YMCA's obligation to its former executive director under a deferred compensation arrangement. The Trust is irrevocable; however, trust assets are subject to general claims of the YMCA's creditors in the event of the YMCA's insolvency.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of the following at December 31:

	<u>2007</u>	<u>2006</u>
Land and land improvements	\$ 11,075,984	\$ 11,050,417
Buildings and improvements	104,841,004	103,413,577
Equipment and furniture	23,132,583	19,406,003
Software	774,941	774,941
Construction-in-progress	<u>11,191,488</u>	<u>1,072,827</u>
	151,016,000	135,717,765
Less: accumulated depreciation	<u>(43,752,300)</u>	<u>(37,946,662)</u>
	<u>\$ 107,263,700</u>	<u>\$ 97,771,103</u>

Construction-in-progress includes expansions and additions that are underway at certain YMCA centers. Construction commitments at December 31, 2007 approximate \$20.9 million.

NOTE 7 - DEFERRED LEASE REVENUE

In June 2006, the YMCA entered into an agreement with Senior Citizen's Inc. (SCI) for facility use and maintenance. Under the terms of the lease, SCI has the right to occupy approximately 20% of the space at the Bellevue Family YMCA and J.L. Turner Center for Lifelong Learning for an initial term of 20 years, with four consecutive five-year renewal options. The agreement required an initial advance payment of \$2,000,000, of which \$1,486,636 is prepaid rent for the entire lease term, and \$513,364 is a prepayment for actual operational costs and maintenance which is currently expected to represent a term of approximately 15 years. The remaining unamortized balance of deferred lease revenue for the Bellevue facility totaled \$1,854,726 at December 31, 2007 (\$1,947,320 at December 31, 2006).

The agreement with SCI also includes revenue sharing provisions related to certain jointly-sponsored programs primarily directed to senior citizens at the Bellevue facility.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 8 - NOTES AND BONDS PAYABLE

Notes and bonds payable consisted of the following at December 31:

	<u>2007</u>	<u>2006</u>
<u>Notes payable</u>		
Note payable to Bank of America to fund certain construction projects. Interest is charged at a fixed rate of 7.87%. The note matures in monthly installments through August 31, 2014.	\$ 392,353	\$ 433,627
Note payable to the Wadlington Children's Trust, payable in monthly principal installments of \$500 plus interest at the published prime rate plus 1%. Balance was paid in full on December 29, 2007.	-	4,829
Various notes payable on vehicles purchased for employee and program usage. Total monthly payments range from \$434 to \$798, including interest ranging from 0% to 8.24% per annum. Maturities range through 2010.	69,251	103,153
Note payable to Bank of America for purchase of the 900 Church Street administrative building, payable in monthly principal installments of \$3,820, plus interest. Interest is charged at the rate of 60 basis points above the LIBOR rate. All unpaid principal and interest are due April 15, 2014.	(3) 282,600	328,440

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YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 8 - NOTES AND BONDS PAYABLE (CONTINUED)

		<u>2007</u>	<u>2006</u>
<u>Notes payable (Continued)</u>			
Note payable to Bank of America for expansion of the parking lot at the Green Hills branch, payable in monthly principal installments of \$20,994, plus interest. Interest is charged at the rate of 60 basis points above the LIBOR rate. All unpaid principal and interest are due March 15, 2011.	(3)	360,767	612,703
Note payable to Bank of America for expansion of the Putnam County Family YMCA. Interest is payable monthly at the rate of 60 basis points above the LIBOR rate. All principal and any unpaid interest are payable in full at December 31, 2008.	(3)	110,000	241,000
Note payable to Bank of America for construction of the North Rutherford YMCA. Interest was payable monthly at the rate of 70 basis points above the LIBOR rate. The balance was paid in full on December 31, 2007.		-	1,630,000
Note payable to Bank of America for construction of the Bellevue YMCA. Interest was payable monthly at the rate of 70 basis points above the LIBOR rate. The balance was paid in full on December 31, 2007.		-	6,400,000

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YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 8 - NOTES AND BONDS PAYABLE (CONTINUED)

	<u>2007</u>	<u>2006</u>
<u>Notes payable (Continued)</u>		
Note payable to Bank of America for expansion of the Brentwood YMCA. Interest is payable monthly at the rate of 60 basis points above the LIBOR rate. Principal payment of \$275,000 is due October 15, 2008, with monthly payments thereafter of \$12,700 each. All unpaid principal and interest are due October 18, 2011. (3)	1,101,600	235,000
Note payable to Bank of America for a refinance of the note payable to First National Bank of the Cumberland (that was assumed in the merger of the Putnam County YMCA), payable in monthly principal installments of \$5,000, plus interest. Interest was charged at the rate of 70 basis points above the LIBOR rate. The balance was paid in full on December 31, 2007.	<u>-</u>	<u>853,000</u>
Total notes payable	<u>2,316,571</u>	<u>10,841,752</u>
<u>Bonds payable</u>		
1998 Industrial Revenue Bonds, face value \$52,000,000, final maturity date of December 1, 2018. Mandatory sinking fund deposits toward principal repayment are due annually and are prepaid through 2018. Interest on the bonds is determined weekly by the Remarketing Agent and ranged from 3.10%-4.00% in 2007 (2.92%-4.00% in 2006); the rate is not to exceed a maximum rate of 12%. (1), (2)	31,240,000	33,740,000
2007 Industrial Revenue Bonds, face value \$31,440,000, final maturity date of December 1, 2027. Interest on the bonds is determined weekly by the Remarketing Agent and was 3.48% at December 31, 2007; the rate is not to exceed a maximum rate of 12%. (1), (2)	<u>31,440,000</u>	<u>-</u>
Total bonds payable	<u>62,680,000</u>	<u>33,740,000</u>
TOTAL NOTES AND BONDS PAYABLE	<u>\$64,996,571</u>	<u>\$44,581,752</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 8 - NOTES AND BONDS PAYABLE (CONTINUED)

Annual principal maturities and required reimbursement payments of debt obligations as of December 31, 2007, are as follows:

		<u>Required Reimbursement Payment (2)</u>			
	<u>Notes Payable</u>	<u>1998 Bond Issue</u>	<u>2007 Bond Issue</u>		<u>Total</u>
<u>Years Ending December 31:</u>					
2008	\$ 758,994	\$ 1,928,100	\$ 740,000	\$	3,427,094
2009	348,069	2,070,000	810,000		3,228,069
2010	223,560	2,490,000	880,000		3,593,560
2011	218,309	2,490,000	950,000		3,658,309
2012	223,057	2,690,000	1,020,000		3,933,057
Thereafter	<u>544,582</u>	<u>19,571,900</u>	<u>27,040,000</u>		<u>47,156,482</u>
	\$ 2,316,571	\$ 31,240,000	\$ 31,440,000	\$	64,996,571

- (1) The YMCA has two interest rate swap agreements with the Bank of America in order to lessen exposure to fluctuating interest rates on the Bonds. The interest rate swaps are applicable to a scheduled notional amount, which reduces annually each January. Under one agreement, the YMCA makes a monthly interest payment to the Bank equal to a per annum rate of 4.33% times the scheduled annual notional amount (\$30,720,000 in 2007; \$32,340,000 in 2006), and the Bank makes a monthly interest adjustment payment to the YMCA equal to the applicable notional amount times a per annum rate of 70% of the London Interbank Offering Rate (LIBOR). The second agreement requires the YMCA to make a monthly interest payment to the Bank equal to a per annum rate of 3.515% times the scheduled annual notional amount (\$23,401,000 in 2007), and the Bank makes a monthly interest adjustment payment to the YMCA equal to the applicable notional amount times a per annum rate of 70% of LIBOR. The swap agreements terminate on December 1, 2018 and December 1, 2027, respectively, the final maturity dates of the Bonds.
- (2) The YMCA entered into Reimbursement Agreements with the Bank of America, pursuant to which the Bank issued its Letter of Credit in favor of the Bond Trustee in the original stated amount of the Bonds (approximately \$52 million and \$31.4 million, respectively).

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 8 - NOTES AND BONDS PAYABLE (CONTINUED)

- (3) On December 31, 2004, the YMCA entered into a Master Loan Agreement, as amended, with the Bank of America for additional loan commitments up to \$15,000,000 through July 31, 2010. The agreement provides for both revolving and term loans during the term of the agreement. Revolving loans provide for interest only payments, with a maturity date within twenty-four months of the date of the note. Term loans require monthly principal and interest payments based on a twenty-year amortization, with a maturity date within five years of the date of the note. Interest rates charged on both types of loans are calculated at 60 basis points above the LIBOR rate.

The YMCA also has a \$500,000 maximum revolving line of credit with the Bank of America that is available through December 31, 2008. There have been no borrowings under this line to date.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

The YMCA 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.

The YMCA has a management agreement with the YMCA of Scottsville and Allen County, Inc., for the YMCA of Middle Tennessee to oversee the day-to-day operations of the facility. Currently, the Scottsville Center land, building and equipment are included in the YMCA's total assets; however, it is anticipated that these assets will be transferred to the YMCA of Scottsville and Allen County, Inc. in the future. The carrying value of these assets that would be transferred out approximates \$5.0 million at December 31, 2007.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the YMCA to concentrations of credit risk consist principally of cash and cash equivalents and contributions receivable. Cash balances are maintained at two financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000 for each bank. The balances per bank at December 31, 2007 and 2006, exceeded the FDIC limit by approximately \$42,400,000 and \$16,900,000, respectively. The excess as of December 31, 2007, includes, approximately \$21,300,000 of unspent bond proceeds.

The broker/dealer that is the custodian of the YMCA's securities is covered by the Securities Investor Protection Corporation (SIPC), which provides limited protection to investors. SIPC coverage is limited to specified investor-owned securities (notes, bonds, mutual funds, investment company securities and registered securities) held by an insolvent SIPC member at the time a supervising trustee is appointed. The SIPC also protects against unauthorized trading in security accounts. The SIPC does not cover market risk.

Contributions receivable represent concentrations of credit risk to the extent they are receivable from concentrated sources. Contributions receivable from two donors amounted to 44% of total outstanding contributions receivable as of December 31, 2007 (three donors comprised 59% of contributions receivable as of December 31, 2006).

NOTE 11 - EMPLOYEE BENEFIT PLANS

The YMCA participates in a defined contribution, individual account, money purchase retirement plan, which is administered by the Young Men's Christian Association Retirement Fund (a separate corporation). This plan is for the benefit of all eligible professional and nonprofessional staff of duly organized and reorganized YMCA's throughout the United States.

Contributions to the plan by employees and employer YMCA's are based on a percentage of the participating employees' salaries and are remitted monthly. Total contributions to the plan by the YMCA of Middle Tennessee, which are included in employee benefits, amounted to \$1,995,486 in 2007, and \$1,765,825 in 2006.

The Retirement Fund is operated as a church pension plan and is a nonprofit, tax-exempt New York State corporation. As a defined contribution plan, the Retirement Fund has no unfunded benefit obligations.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 12 - RELATED PARTY TRANSACTIONS AND RELATED ENTITIES

The YMCA purchases insurance, and contracts for marketing services, law services and construction through certain Board members. The total of such expenditures approximated \$2,531,000 in 2007, and \$1,802,000 in 2006.

The YMCA Foundation of Middle Tennessee (the "Foundation") was formed to establish a permanent endowment fund, using the income primarily for the benefit of the YMCA. The YMCA has representation on the Foundation's Board of Directors but does not have a majority voting interest. The Foundation receives donor designated funds and also makes grants to other not-for-profit organizations. For the year ended December 31, 2007, the Foundation paid out total grants of \$148,851 (\$184,202 in 2006), of which \$119,351 (\$176,825 in 2006) was paid to the YMCA and included in grant revenues.

A condensed summary of financial information of the Foundation as of and for the years ended December 31, follows:

	<u>2007</u>	<u>2006</u>
Total assets	\$6,253,739	\$ 5,637,159
Total liabilities	<u>114,652</u>	<u>107,729</u>
Net Assets	<u>\$6,139,087</u>	<u>\$ 5,529,430</u>
Net Assets:		
Unrestricted	\$5,872,134	\$ 5,221,880
Unrestricted - Philanthropic Funds	110,825	100,547
Temporarily Restricted	<u>156,128</u>	<u>207,003</u>
Total Net Assets	<u>\$6,139,087</u>	<u>\$ 5,529,430</u>
Total Support and Revenue, including realized and unrealized gains (losses) on investments of: \$251,274 in 2007; \$448,048 in 2006	\$ 975,189	\$ 841,348
Total Expenses	\$ 365,532	\$ 377,118
Resources held for the benefit of the YMCA	\$6,028,262	\$ 5,428,883

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 13 - LEASES

The YMCA is obligated on several noncancelable operating leases for office space, equipment and vehicles that expire at various dates through 2011. Total rental expense incurred under these leases for the years ended December 31, 2007 and 2006, amounted to: office space - \$755,606 and \$645,330, respectively; equipment - \$971,303 and \$956,043, respectively; and vehicles - \$136,986 and \$122,730, respectively.

During 2007 and 2006, the YMCA also entered into several noncancelable capital leases for equipment that expire at various dates through 2011. Total capital lease payments made under these leases for the year ended December 31, 2007 and 2006 amounted to \$1,582,904 and \$722,365, including \$194,485 and \$110,600 of imputed interest, respectively.

Future minimum lease payments required under all noncancelable leases as of December 31, 2007, are:

	<u>Operating Leases</u>				<u>Capital Leases -</u>
	<u>Office</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>	<u>Equipment</u>
<u>Years Ending December 31:</u>					
2008	\$ 821,331	\$ 165,934	\$ 54,474	\$1,041,739	\$ 1,999,858
2009	453,750	71,064	54,474	579,288	1,299,040
2010	79,328	-	25,940	105,268	469,450
2011	<u>-</u>	<u>-</u>	<u>3,891</u>	<u>3,891</u>	<u>123,048</u>
	<u>\$ 1,354,409</u>	<u>\$ 236,998</u>	<u>\$ 138,779</u>	<u>\$1,730,186</u>	3,891,396
Less: interest imputed at rates ranging from 3.19% to 6.94%					<u>(220,334)</u>
Present value of future minimum lease payments					<u>\$ 3,671,062</u>

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2007 AND 2006

NOTE 13 - LEASES (CONTINUED)

Assets recorded under capital leases are included in property, plant and equipment and consist of the following at December 31:

	<u>2007</u>	<u>2006</u>
Cost	\$ 5,530,313	\$2,803,721
Accumulated depreciation	<u>(3,254,456)</u>	<u>(996,774)</u>
Net book value	<u>\$ 2,275,857</u>	<u>\$1,806,947</u>

NOTE 14 - RECENT ACCOUNTING PRONOUNCEMENTS

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. The YMCA is currently evaluating the impact, if any, of the adoption of FIN 48 on the financial statements.

ADDITIONAL INFORMATION

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2007

Grant Description	Federal CFDA#	Grant Number	Grant Period	(Accrued) Deferred Revenue 1/1/2007	1/1/07 - 12/31/07		Other Adjustments	Repayment to Grantor	(Accrued) Deferred Revenue 12/31/2007
					Receipts	Expenditures			
U.S. DEPARTMENT OF AGRICULTURE									
PASSED THROUGH STATE OF TENNESSEE									
DEPARTMENT OF HUMAN SERVICES:									
Child & Adult Care Food Program (CACFP):									
Northwest	10.558*	DA-03-00050	10/01/06 - 09/30/07	\$ (3,345)	\$ 39,260	\$ 35,915	\$ -	\$ -	\$ -
Northwest	10.558*	DA-03-00050	10/01/07 - 09/30/08	-	7,455	10,687	-	-	(3,232)
Margaret Maddox Family YMCA	10.558*	DA-03-00050	10/01/06 - 09/30/07	(2,185)	11,696	9,519	-	-	(8)
Margaret Maddox Family YMCA	10.558*	DA-03-00050	10/01/07 - 09/30/08	-	2,623	3,482	-	-	(859)
School Age Services	10.558*	DA-03-00050	10/01/06 - 09/30/07	(28,407)	257,497	229,090	-	-	-
School Age Services	10.558*	DA-03-00050	10/01/07 - 09/30/08	-	42,795	105,487	-	-	(62,692)
TOTAL U.S. DEPARTMENT OF AGRICULTURE				(33,937)	361,326	394,180	-	-	(66,791)
U.S. DEPARTMENT OF EDUCATION									
PASSED THROUGH METROPOLITAN									
NASHVILLE PUBLIC SCHOOLS:									
21st Century Community Learning Centers (Club MCM)	84.287A	2-221305-0	08/01/05 - 06/30/10	(3,824)	109,517	115,640	-	-	(9,947)
TOTAL U.S. DEPARTMENT OF EDUCATION				(3,824)	109,517	115,640	-	-	(9,947)
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
PASSED THROUGH METROPOLITAN DEVELOPMENT									
AND HOUSING AGENCY:									
COMMUNITY DEVELOPMENT BLOCK GRANT									
Youth Enrichment Initiatives - Boys & Girls Club YMCA	14.218	B-02-MC470007	06/01/07 - 08/15/07	-	10,000	10,000	-	-	-
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				-	10,000	10,000	-	-	-
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ (37,761)	\$ 480,843	\$ 519,820	\$ -	\$ -	\$ (76,738)

* Considered a major program under OMB Circular A-133

Basis of Presentation

The schedule of expenditures of federal awards presents the grant activity of the Young Men's Christian Association of Middle Tennessee in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements. This schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDDLE TENNESSEE

SCHEDULE OF EXPENDITURES OF STATE AWARDS

FOR THE YEAR ENDED DECEMBER 31, 2007

Grant Description	Grant Number	Grant Period	(Accrued) Deferred Revenue 1/1/2007	1/1/07 - 12/31/07		(Accrued) Deferred Revenue 12/31/2007
				Receipts	Expenditures	
STATE OF TENNESSEE						
DEPARTMENT OF HEALTH						
Buffalo Soldiers and Little Sisters	Z-07-032908-00	07-01-06 - 06-30-07	\$ -	\$ 30,950	\$ 30,950	\$ -
Buffalo Soldiers and Little Sisters	Z-08-020319-00	07-01-07 - 06-30-08	-	-	31,120	(31,120)
TOTAL STATE OF TENNESSEE						
DEPARTMENT OF HEALTH						
			-	30,950	62,070	(31,120)
TOTAL EXPENDITURES OF						
STATE AWARDS						
			\$ -	\$ 30,950	\$ 62,070	\$ (31,120)

Basis of Presentation

The schedule of expenditures of state awards presents the grant activity of the Young Men's Christian Association of Middle Tennessee in accordance with accounting principles generally accepted in the United States of America, which is the same basis of accounting as the basic financial statements.