

NASHVILLE YOUNG WOMEN'S
CHRISTIAN ASSOCIATION

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORTS

JUNE 30, 2009 AND 2008

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
FINANCIAL STATEMENTS, ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORTS
JUNE 30, 2009 AND 2008

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT AUDITORS' REPORT</u>	1
 <u>FINANCIAL STATEMENTS</u>	
Statements of Financial Position.....	2
Statements of Activities	3
Statement of Functional Expenses (2009).....	4
Statement of Functional Expenses (2008).....	5
Statements of Cash Flows	6
Notes to Financial Statements.....	7 - 22
 <u>ADDITIONAL INFORMATION</u>	
Schedule of Expenditures of Federal, State and Other Awards.....	23 - 24
 <u>OTHER REPORTS</u>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	25 - 26
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	27 - 28
Schedule of Findings and Questioned Costs	29

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, 2009 and 2008, 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, 2009 and 2008, 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 January 19, 2010, 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
January 19, 2010

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 820,967	\$ 202,923
Pledges and other receivables, net of allowance for doubtful accounts of \$1,128 in 2009 and 2008 - Note 6	184,992	581,161
Grants receivable	131,552	84,834
Accounts receivable and prepaids	34,184	36,119
Beneficial interest in charitable remainder trust, net	30,333	38,300
Investments - Note 4	2,605,718	3,094,993
Debt issue costs	-	14,157
Land, buildings and equipment, net - Note 5	<u>3,409,523</u>	<u>3,407,392</u>
TOTAL ASSETS	<u>\$ 7,217,269</u>	<u>\$ 7,459,879</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 17,251	\$ 14,148
Accrued expenses and withheld taxes	59,309	102,811
Grants payable to subrecipients	5,170	4,246
Deferred revenues	28,499	48,137
Note payable - Note 7	<u>-</u>	<u>620,133</u>
TOTAL LIABILITIES	<u>110,229</u>	<u>789,475</u>
<u>NET ASSETS</u>		
Unrestricted:		
Undesignated	578,070	787,250
Designated for property and equipment, net of related debt	<u>3,409,523</u>	<u>2,801,416</u>
Total unrestricted	<u>3,987,593</u>	<u>3,588,666</u>
Temporarily restricted - Note 8	1,324,711	1,287,002
Permanently restricted - Note 9	<u>1,794,736</u>	<u>1,794,736</u>
TOTAL NET ASSETS	<u>7,107,040</u>	<u>6,670,404</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,217,269</u>	<u>\$ 7,459,879</u>

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009			2008				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
REVENUES AND SUPPORT								
Contributions	\$ 1,084,467	\$ 1,254,656	\$ -	\$ 2,339,123	\$ 1,547,845	\$ 914,319	\$ -	\$ 2,462,164
United Way contributions	258,656	-	-	258,656	234,721	-	-	234,721
Grants from federal, state and local agencies	1,035,468	-	-	1,035,468	1,320,658	-	-	1,320,658
Program service fees	3,163	-	-	3,163	4,850	-	-	4,850
Rental income	1,601	-	-	1,601	14,750	-	-	14,750
Other income	82,205	-	-	82,205	69,438	-	-	69,438
Investment income (loss), net	(183,275)	(141,531)	-	(324,806)	(64,415)	(136,213)	-	(200,628)
Net assets released from restrictions	1,075,416	(1,075,416)	-	-	22,448	(22,448)	-	-
TOTAL REVENUES AND SUPPORT	3,357,701	37,709	-	3,395,410	3,150,295	755,658	-	3,905,953
PROGRAM SERVICES								
Educational/employment training	479,328	-	-	479,328	586,301	-	-	586,301
Youth services	122,166	-	-	122,166	92,723	-	-	92,723
Domestic violence	1,444,872	-	-	1,444,872	1,510,616	-	-	1,510,616
TOTAL PROGRAM SERVICES	2,046,366	-	-	2,046,366	2,189,640	-	-	2,189,640
SUPPORTING SERVICES								
Administrative	470,704	-	-	470,704	378,198	-	-	378,198
Development	441,704	-	-	441,704	429,390	-	-	429,390
TOTAL SUPPORTING SERVICES	912,408	-	-	912,408	807,588	-	-	807,588
TOTAL EXPENSES	2,958,774	-	-	2,958,774	2,997,228	-	-	2,997,228
Change in net assets before non-operating items	398,927	37,709	-	436,636	153,067	755,658	-	908,725
Effect of adoption of FSP No. SFAS 117-1 - Note 9	-	-	-	-	(393,966)	393,966	-	-
CHANGE IN NET ASSETS	398,927	37,709	-	436,636	(240,899)	1,149,624	-	908,725
NET ASSETS - BEGINNING OF YEAR	3,588,666	1,287,002	1,794,736	6,670,404	3,829,565	137,378	1,794,736	5,761,679
NET ASSETS - END OF YEAR	\$ 3,987,593	\$ 1,324,711	\$ 1,794,736	\$ 7,107,040	\$ 3,588,666	\$ 1,287,002	\$ 1,794,736	\$ 6,670,404

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2009

	Program Services				Supporting Services		
	Educational/ Employment Training	Youth Services	Domestic Violence	Total	Administration	Development	Totals
Salaries	\$ 272,519	\$ 75,563	\$ 758,146	\$ 1,106,228	\$ 233,091	\$ 196,135	\$ 1,535,454
Employee benefits and taxes	58,412	12,145	154,118	224,675	41,935	29,343	295,953
TOTAL SALARIES AND RELATED EXPENSES	330,931	87,708	912,264	1,330,903	275,026	225,478	1,831,407
Professional fees and contracted services							
Supplies	16,952	8,009	30,113	55,074	49,459	38,755	143,288
Telephone and postage	14,048	4,077	30,136	48,261	7,041	16,624	71,926
Occupancy	7,063	2,858	21,710	31,631	5,775	6,429	43,835
Rental and maintenance of equipment	47,881	1,929	131,603	181,413	20,529	5,764	207,706
Printing	7,919	2,310	14,422	24,651	19,414	4,215	48,280
Travel	421	68	4,043	4,532	937	10,545	16,014
Conferences, conventions and meetings	2,626	1,755	10,630	15,011	1,463	727	17,201
Specific assistance - other	560	7,504	12,187	20,251	3,409	121,672	145,332
Insurance - general	-	-	116,002	116,002	6,353	-	122,355
Interest	6,579	2,322	23,219	32,120	3,483	3,054	38,657
Bad debt	-	-	8,887	8,887	62	-	8,949
Miscellaneous	-	-	-	-	23,664	-	23,664
Grant expenses - subrecipient	3,651	2,288	14,435	20,374	20,009	3,838	44,221
	-	-	19,602	19,602	-	-	19,602
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	438,631	120,828	1,349,253	1,908,712	436,624	437,101	2,782,437
Depreciation and amortization	40,697	1,338	95,619	137,654	34,080	4,603	176,337
TOTAL EXPENSES	\$ 479,328	\$ 122,166	\$ 1,444,872	\$ 2,046,366	\$ 470,704	\$ 441,704	\$ 2,958,774

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2008

	Program Services				Supporting Services		
	Educational/ Employment Training	Youth Services	Domestic Violence	Total	Administration	Development	Totals
Salaries	\$ 357,809	\$ 60,071	\$ 845,061	\$ 1,262,941	\$ 218,742	\$ 160,150	\$ 1,641,833
Employee benefits and taxes	69,237	6,745	169,968	245,950	28,517	20,855	295,322
TOTAL SALARIES AND RELATED EXPENSES	427,046	66,816	1,015,029	1,508,891	247,259	181,005	1,937,155
Professional fees and contracted services							
Supplies	12,753	1,542	32,456	46,751	14,820	78,659	140,230
Telephone and postage	16,273	2,020	29,024	47,317	11,185	18,320	76,822
Occupancy	12,107	2,319	19,590	34,016	6,761	7,656	48,433
Rental and maintenance of equipment	43,066	10,075	97,521	150,662	9,244	16,792	176,698
Printing	17,241	2,425	39,394	59,060	20,323	6,307	85,690
Travel	755	197	4,234	5,186	-	20,291	25,477
Conferences, conventions and meetings	2,967	928	16,301	20,196	1,480	1,506	23,182
Specific assistance - other	156	1,519	18,051	19,726	5,294	84,333	109,353
Insurance - general	-	-	33,742	33,742	2,772	-	36,514
Interest	9,020	1,562	22,769	33,351	3,030	2,732	39,113
Bad debt	-	-	47,041	47,041	-	-	47,041
Miscellaneous	-	-	-	-	4,208	-	4,208
Grant expenses - subrecipient	5,402	1,889	14,229	21,520	18,010	5,006	44,536
	-	-	21,397	21,397	-	-	21,397
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	546,786	91,292	1,410,778	2,048,856	344,386	422,607	2,815,849
Depreciation and amortization	39,515	1,431	99,838	140,784	33,812	6,783	181,379
TOTAL EXPENSES	\$ 586,301	\$ 92,723	\$ 1,510,616	\$ 2,189,640	\$ 378,198	\$ 429,390	\$ 2,997,228

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 436,636	\$ 908,725
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	162,179	167,222
Amortization of debt issue costs	14,157	14,157
Bad debt	23,664	4,208
Realized and unrealized losses on investments	363,418	294,076
(Increase) decrease in:		
Pledges and other receivables	372,505	(494,188)
Grants receivable	(46,718)	13,015
Accounts receivable and prepaids	1,935	807
Beneficial interest in charitable remainder trust	7,967	3,130
Increase (decrease) in:		
Accounts payable	3,103	(5,326)
Accrued expenses and withheld taxes	(43,502)	18,248
Grants payable to subrecipients	924	(1,600)
Deferred revenues	<u>(19,638)</u>	<u>15,761</u>
TOTAL ADJUSTMENTS	<u>839,994</u>	<u>29,510</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,276,630</u>	<u>938,235</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturation of investments	1,976,367	2,310,554
Purchase of investments	(1,850,510)	(2,436,021)
Purchase of land, buildings and equipment	<u>(164,310)</u>	<u>(185,883)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(38,453)</u>	<u>(311,350)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term debt	<u>(620,133)</u>	<u>(574,105)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(620,133)</u>	<u>(574,105)</u>
INCREASE IN CASH	618,044	52,780
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>202,923</u>	<u>150,143</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 820,967</u>	<u>\$ 202,923</u>
INTEREST EXPENSE PAID	<u>\$ 8,949</u>	<u>\$ 47,041</u>

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

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 \$21,474 in 2009 (\$22,230 in 2008), 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.
- *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, 2009 AND 2008

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 and construction services contributed to the YWCA amounted to approximately \$47,000 in 2009 (\$67,000 in 2008) and have been recorded as contributions and professional fees and contracted services under development in the supporting services functional expense classification and construction in progress.

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 that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Pledges 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 (not significant at June 30, 2009 or 2008). Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue. Grants receivable are collectible 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, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges, Grants and Other Receivables (Continued)

An allowance for uncollectible contributions is provided based on management's estimate of uncollectible pledges and historical trends. Pledges deemed to be uncollectible are charged off against the allowance in the period of determination.

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. See Note 4 for discussion of fair value measurements.

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 as occurred in the 2009 fiscal year, any unamortized issue costs are expensed in the year the debt is extinguished. Amortization expense related to debt issue costs amounted to \$14,157 for the years ended June 30, 2009 and 2008.

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, 2009 AND 2008

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, 2009.

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 and 2009, 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, 2009 AND 2008

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.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48 ("FIN 48"), *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109*. 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 positions that the organization is exempt from income taxes or not subject to income taxes on unrelated business income. 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 December 2008, the FASB provided for a deferral of the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2008. The YWCA has elected this deferral and, accordingly, will be required to adopt FIN 48 in its June 30, 2010 annual financial statements. Prior to adopting FIN 48, the YWCA will continue to evaluate uncertain tax positions and related income tax contingencies under Statement of Financial Accounting Standards ("SFAS") No. 5, *Accounting for Contingencies*. SFAS No. 5 requires annual accrual for losses that are considered probable and can be reasonably estimated, or disclosure for losses that are considered reasonably possible and/or cannot be reasonably estimated.

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

Reclassification

Certain amounts in the prior year's financial statements have been reclassified in order to be comparative with the current year's presentation. The reclassification had no effect on total net assets or the change in net assets as previously reported.

Events Occurring after Reporting Date

The YWCA has evaluated events and transactions that occurred between June 30, 2009 and January 19, 2010, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 3 - CONCENTRATION OF CREDIT RISK

The YWCA maintains cash accounts at a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. The Emergency Economic Stabilization Act of 2008 temporarily increased FDIC coverage from \$100,000 to \$250,000 per depositor, effective October 3, 2008 through December 31, 2009. On May 20, 2009, the Helping Families Save Their Homes Act extended the temporary increase in FDIC coverage through December 31, 2013. On October 14, 2008, the FDIC announced the "Temporary Liquidity Guarantee Program." The YWCA's depositor accounts qualified for this program. In considering the credit risk, the YWCA periodically evaluates the stability of its financial institutions. The YWCA has not experienced any losses in such accounts, and its management believes cash is not exposed to significant credit risk.

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 4 - FAIR VALUE MEASUREMENTS

Effective July 1, 2008, the YWCA adopted the provisions of SFAS No. 157, *Fair Value Measurements* (SFAS No. 157), for financial assets and financial liabilities. In accordance with Financial Accounting Standards Board Staff Position (FSP) No. SFAS 157-2, *Effective Date of FASB Statement No. 157*, the YWCA will delay application of SFAS No. 157 for non-financial assets and non-financial liabilities, until July 1, 2009. SFAS No. 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 application of SFAS No. 157 in situations where the market for a financial asset is not active was clarified by the issuance of FSP No. SFAS 157-3, *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*, in October 2008. FSP No. SFAS 157-3 became effective immediately and did not significantly affect the methods by which the YWCA determines the fair values of its financial assets.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS No. 157 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under SFAS No. 157 are described below:

- *Level 1 Inputs* - Unadjusted quotes prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- *Level 2 Inputs* - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets and liabilities in active markets, quotes prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (such as interest rates, volatilities, prepayment speeds, credit risks, etc.) or inputs that are derived principally from or corroborated by market data by correlation or other means.
- *Level 3 Inputs* - Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

A description of the valuation methodologies used for instruments measured at fair value as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to all of the YWCA's financial assets and financial liabilities carried at fair value effective July 1, 2008. In general, fair value is based on quoted market prices, where available. If such quoted market prices are not available, fair value is based on internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and the YWCA's creditworthiness among other things, as well as unobservable parameters. Any such valuation adjustments are applied consistently over time. The YWCA's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

Furthermore, the reported fair value amounts have not been comprehensively revalued since the presentation dates and, therefore, estimates of fair value after the balance sheet date may differ significantly from the amounts presented herein.

Fair values for investments, except certificates of deposit and corporate bonds, are determined by reference to quoted market prices and other relevant information generated by market transactions. Fair values for investments in certificates of deposit and corporate bonds are based primarily on other observable values, such as interest rates and yield curves.

The following table summarizes financial assets measured at fair value as of June 30, 2009, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market accounts	\$ 657,110	\$ -	\$ -	\$ 657,110
Certificates of deposit	-	525,000	-	525,000
Corporate bonds	-	95,000	-	95,000
Preferred stock	17,574	-	-	17,574
Common stock	495,886	-	-	495,886
Mutual funds	815,148	-	-	815,148
	<u>\$ 1,985,718</u>	<u>\$ 620,000</u>	<u>\$ -</u>	<u>\$ 2,605,718</u>

The fair values and related costs of investments are summarized as follows at June 30:

	<u>2009</u>		<u>2008</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Money market accounts	\$ 657,110	\$ 657,110	\$ 927,828	\$ 927,828
Certificates of deposit	525,000	525,000	450,000	450,000
Corporate bonds	95,000	95,000	-	-
Preferred stock	17,574	27,266	17,478	14,924
Common stock	495,886	542,914	717,463	678,249
Mutual funds	815,148	834,309	982,224	822,629
	<u>\$ 2,605,718</u>	<u>\$ 2,681,599</u>	<u>\$ 3,094,993</u>	<u>\$ 2,893,630</u>

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

Investment income (loss) was as follows for the years ended June 30:

	<u>2009</u>	<u>2008</u>
Interest and dividend income	\$ 38,612	\$ 93,448
Realized and unrealized losses on investments	<u>(363,418)</u>	<u>(294,076)</u>
Total investment income (loss), net	<u>\$ (324,806)</u>	<u>\$ (200,628)</u>

Investment expenses of \$11,664 were included with investment losses for the year ended June 30, 2009 (\$11,598 for the year ended June 30, 2008).

NOTE 5 - LAND, BUILDINGS AND EQUIPMENT

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

	<u>2009</u>	<u>2008</u>
Land	\$ 405,763	\$ 405,763
Buildings and improvements	4,826,090	4,652,147
Office equipment	839,663	733,961
Program equipment	36,598	36,598
Automobile	26,231	30,606
Construction in progress	<u>26,960</u>	<u>159,000</u>
	6,161,305	6,018,075
Less: accumulated depreciation	<u>(2,751,782)</u>	<u>(2,610,683)</u>
	<u>\$ 3,409,523</u>	<u>\$ 3,407,392</u>

Construction in progress at June 30, 2009 pertains to the installation of a new sprinkler system. The YWCA completed the installation in September 2009 with no additional cost.

Depreciation expense recognized by the YWCA amounted to \$162,179 and \$167,222 for the years ended June 30, 2009 and 2008, respectively.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 6 - PLEDGES AND OTHER RECEIVABLES

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

	<u>2009</u>	<u>2008</u>
Due within one year	\$ 81,764	\$ 568,489
Due within two to five years	<u>104,356</u>	<u>13,800</u>
	186,120	582,289
Less: allowance for doubtful accounts	<u>(1,128)</u>	<u>(1,128)</u>
	<u>\$ 184,992</u>	<u>\$ 581,161</u>

NOTE 7 - LONG-TERM DEBT

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

	<u>2009</u>	<u>2008</u>
Note payable to Regions Equipment Financial Corporation - payable in monthly principal and interest installments of \$7,053. Interest was charged at a fixed rate of 5.19%. The note was paid off in December 2008.	\$ -	\$ 620,133

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 2009 or 2008.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2009</u>	<u>2008</u>
Beneficial interest in charitable remainder trust, net	\$ 30,333	\$ 38,300
Domestic Violence program	7,409	7,409
Education program	312,199	214,552
Girls, Inc. Youth program	50,000	50,000
Burn the Mortgage Campaign	924,770	662,964
Net gains on permanently restricted endowment since inception	-	311,531
Other	-	2,246
Total temporarily restricted net assets	<u>\$ 1,324,711</u>	<u>\$ 1,287,002</u>

NOTE 9 - ENDOWMENT FUNDS

In August 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position (FSP) No. SFAS 117-1, *Endowments of Not for Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (FSP No. SFAS 117-1). FSP No. SFAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). As required by FSP No. SFAS 117-1, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. FSP No. SFAS 117-1 also requires additional disclosures about an organization's endowment funds whether or not the organization is subject to UPMIFA.

The YWCA's endowment consists of donor-restricted funds established for a variety of purposes. The endowment represents perpetual funds in which the annual income is to be used for the appropriate purpose as specified by the donor. All endowment funds are considered permanent or perpetual in nature.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 9 - ENDOWMENT FUNDS (CONTINUED)

Interpretation of applicable law - In applying the provisions of FSP No. SFAS 117-1, the Board of Directors has determined that the YWCA is required to account for the fair value of donor-restricted endowment fund gifts as of the gift date, absent explicit donor stipulations to the contrary. As a result of this interpretation, the YWCA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Any remaining accumulated 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 expenditure by the YWCA in a manner consistent with the standard of prudence prescribed by UPMIFA. Based on this interpretation, the YWCA has reclassified \$393,966 previously reported as unrestricted net assets, to temporarily restricted net assets as of July 1, 2007.

The YWCA's endowment funds are governed by donor agreements which adhere to the spending policies described below. In the absence of such donor restrictions, the YWCA would follow UPMIFA and the State of Tennessee's State Uniform Prudent Management of Institutional Funds Act (SUPMIFA), which was effective July 1, 2007. In accordance with UPMIFA, the YWCA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of the YWCA and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of the investments
- The investment policies of the YWCA

Spending policy - The YWCA has a policy of appropriating for distribution up to \$163,000 per year, except as otherwise stipulated by donors, for specific restricted funds. The Board of Directors approved a temporary increase to allow a distribution of \$170,000 for the year ended June 30, 2009, which is less than 7% of the fair market value of the endowment fund, calculated on the basis of market values determined at least quarterly and averaged over a period of not less than three years immediately preceding the year in which the appropriation for the expenditure is made. There were no distributions from the endowment for the year ended June 30, 2008.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 9 - ENDOWMENT FUNDS (CONTINUED)

Investment return objective, risk parameters and strategies - The YWCA has adopted investment and spending policies, approved by the Board of Directors, to establish asset allocation targets, investment objectives and guidelines and the degree of investment risk the Board of Directors deems acceptable. The goal of the endowment is to exist in perpetuity, and therefore, provide for funding in perpetuity. To attain this goal, the overriding objective of the endowment is to maintain purchasing power and, net of spending, to grow the aggregate portfolio value at the rate of inflation or greater over the endowment's investment horizon. Specific performance standards have been formulated for the endowment. Underlying these standards is the belief that the management of the endowment should be directed toward achieving the following investment objectives:

- The endowment taken as a whole should achieve a minimum three- to five-year return (income, realized capital gains and losses and unrealized capital gains and losses) equal to or higher than the three- to five-year average of the three-month Treasury bill rate plus 300 basis points.
- The total endowment should outperform a weighted index (based on the investment allocations of the endowment) of the Russell 1000 Growth, Russell 100 Value and Lehman G/C Index over a three- to five-year average.

Asset allocations are targeted at 30%-70% equities, 30%-70% fixed income, 0%-15% alternative investments and 0%-10% cash and cash equivalents. Investment allocations are spread between cash and cash equivalents, certificates of deposit, corporate bonds, preferred stock, common stock, and mutual funds.

A schedule of endowment net asset composition by type of fund as of June 30 follows:

	2009			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds (1)	\$ <u>(70,972)</u>	\$ <u>-</u>	\$ <u>1,794,736</u>	\$ <u>1,723,764</u>

	2008			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 311,531	\$ 1,794,736	\$ 2,106,267

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 9 - ENDOWMENT FUNDS (CONTINUED)

- (1) The fair value of the donor-restricted endowment funds as determined, in accordance with the requirements of FSP No. SFAS 117-1, at the date of the original donors' gifts, exceeded the fair value of those funds at June 30, 2009 by \$70,972. No such deficiency existed at June 30, 2008.

A schedule of changes in endowment net assets follows for the years ended June 30:

	2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, July 1, 2008	\$ -	\$ 311,531	\$1,794,736	\$ 2,106,267
Realized and unrealized loss	(70,972)	(141,531)	-	(212,503)
Amounts appropriated for expenditure	-	(170,000)	-	(170,000)
Endowment net assets, June 30, 2009	<u>\$ (70,972)</u>	<u>\$ -</u>	<u>\$1,794,736</u>	<u>\$ 1,723,764</u>
	2008			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, July 1, 2007 - before reclassification	\$ 393,966	\$ 53,778	\$1,794,736	\$ 2,242,480
Net asset reclassification from unrestricted net assets pursuant to FSP No. SFAS 117-1	(393,966)	393,966	-	-
Endowment net assets, July 1, 2007 - after reclassification	-	447,744	1,794,736	2,242,480
Realized and unrealized loss	-	(136,213)	-	(136,213)
Endowment net assets, June 30, 2008	<u>\$ -</u>	<u>\$ 311,531</u>	<u>\$1,794,736</u>	<u>\$ 2,106,267</u>

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009 AND 2008

NOTE 10 - 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 \$35,000 and \$32,000 for the years ended June 30, 2009 and 2008, respectively.

NOTE 11 - 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.

ADDITIONAL INFORMATION

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

FOR THE YEAR ENDED JUNE 30, 2009

GRANT DESCRIPTION	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED) DEFERRED REVENUE 6/30/08	7/1/08 - 6/30/09		(ACCRUED) DEFERRED REVENUE 6/30/09
						RECEIPTS	EXPENDITURES	
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Housing Assistance for Homeless Women	14.235	TN37B604015	7/1/07 - 6/30/08	\$ 46,566	\$ (6,441)	\$ 6,441	\$ -	\$ -
Housing Assistance for Homeless Women	14.235	TN37B704004	7/1/08 - 6/30/10	347,541	-	126,366	136,862	(10,496)
TOTAL PASSED DIRECTLY TO GRANTEE					(6,441)	132,807	136,862	(10,496)
PASSED THROUGH METROPOLITAN DEVELOPMENT AND HOUSING AGENCY								
Emergency Shelter Grant Program	14.231	4328	4/1/08 - 3/31/09	12,579	-	12,579	12,579	-
TOTAL US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					(6,441)	145,386	149,441	(10,496)
US DEPARTMENT OF JUSTICE								
OVW-Elder Abuse	16.528	2007-EW-AX-K010	10/1/07 - 9/30/10	323,430	(14,254)	77,951	77,297	(13,600)
OVW-Transitional Housing	16.736	2008-WH-AV-0002	9/1/08 - 8/31/11	165,516	-	28,618	35,111	(6,493)
TOTAL PASSED DIRECTLY TO GRANTEE					(14,254)	106,569	112,408	(20,093)
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	(728)	84,378	93,344	(9,694)
STOP Violence Against Women	16.588	(1) Z-07-033022-00	7/1/06 - 6/30/09	189,831	(5,697)	62,492	63,277	(6,482)
OVW-Transitional Housing	16.736	GR-06-17615-00	9/1/05 - 8/31/08	165,516	(12,620)	19,524	6,904	-
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS					(19,045)	166,394	163,525	(16,176)
PASSED THROUGH TENNESSEE COALITION AGAINST DOMESTIC & SEXUAL VIOLENCE								
Legal Assistance for Victims Grant Program	16.524	2004WLAX0024	1/1/07 - 12/31/08	60,000	(768)	27,863	27,095	-
PASSED THROUGH TENNESSEE COMMISSION ON CHILDREN AND YOUTH								
Tennessee Commission on Children and Youth	16.540	Z-09-213565-00	10/1/08 - 9/30/09	35,000	-	10,787	32,389	(21,602)
TOTAL US DEPARTMENT OF JUSTICE					(34,067)	311,613	335,417	(57,871)
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-05-021989-00	7/1/07 - 6/30/10	391,932	(3,941)	109,468	125,283	(19,756)
PASSED THROUGH TENNESSEE DEPARTMENT OF HUMAN SERVICES								
Child and Adult Nutrition Programs (CACFP)	10.558	03-47-20007-003	9/30/08 - 9/30/09	34,819	-	16,184	19,737	(3,553)
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES					(3,941)	125,652	145,020	(23,309)

(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, 2009

GRANT DESCRIPTION	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED)	7/1/08 - 6/30/09		(ACCRUED)
					DEFERRED REVENUE 6/30/08	RECEIPTS	EXPENDITURES	DEFERRED REVENUE 6/30/09
<u>US DEPARTMENT OF EDUCATION</u>								
PASSED THROUGH TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT								
Tennessee Department of Labor - Adult Education	84.002	Z-08-020845-00	7/1/07 - 6/30/09	\$ 100,605	\$ -	\$ 443	\$ 443	\$ -
Tennessee Department of Labor - Adult Education	84.002	Z-09-2135296-00	7/1/08 - 6/30/09	168,680	-	166,363	168,180	(1,817)
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT					-	166,806	168,623	(1,817)
TOTAL US DEPARTMENT OF EDUCATION					-	166,806	168,623	(1,817)
<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	11/1/07 - 12/31/08	15,330	5,124	-	5,124	-
Emergency Food and Shelter National Board Program	97.024	LROID-765200-008	1/1/09 - 10/31/09	16,903	-	8,452	16,903	(8,451)
Emergency Food and Shelter National Board Program	97.114 - ARRA	LROID-765200-008	4/1/09 - 10/31/09	9,908	-	4,954	9,908	(4,954)
TOTAL US DEPARTMENT OF HOMELAND SECURITY					5,124	13,406	31,935	(13,405)
TOTAL EXPENDITURES OF FEDERAL AWARDS					(39,325)	762,863	830,436	(106,898)
EXPENDITURES OF STATE AND OTHER AWARDS								
Tennessee Department of Corrections	State	GR-08-20865-00	7/1/07 - 6/30/08	181,086	(22,110)	22,110	-	-
Tennessee Department of Labor	State	Z-08-201273-00	12/1/07 - 6/30/08	95,371	(23,399)	23,399	-	-
Tennessee Department of Labor	State	Z-09-217295-00	9/1/08 - 6/30/09	9,032	-	9,032	9,032	-
Metro Government of Nashville and Davidson County	Local	L-2097	7/1/08 - 6/30/09	196,170	-	171,346	196,000	(24,654)
TOTAL EXPENDITURES OF STATE AND OTHER AWARDS					(45,509)	225,887	205,032	(24,654)
TOTAL EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS					\$ (84,834)	\$ 988,750	\$ 1,035,468	\$ (131,552)

(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*.

OTHER REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the Nashville Young Women's Christian Association (the "YWCA") as of and for the year ended June 30, 2009, and have issued our report thereon dated January 19, 2010. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the YWCA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the YWCA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the YWCA's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the YWCA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, the Comptroller of the Treasury, State of Tennessee, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Krue CPAs PLLC

Nashville, Tennessee
January 19, 2010

INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the Nashville Young Women's Christian Association (the "YWCA") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The YWCA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the YWCA's management. Our responsibility is to express an opinion on the YWCA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the YWCA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the YWCA's compliance with those requirements.

In our opinion, the YWCA complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the YWCA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the YWCA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the YWCA's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, the Comptroller of the Treasury, State of Tennessee, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in black ink, appearing to read "K. M. CPA, PLLC".

Nashville, Tennessee
January 19, 2010

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2009

Section I – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes _____ x _____ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? _____ Yes _____ x _____ none reported

Noncompliance material to financial statements noted?

_____ Yes _____ x _____ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes _____ x _____ no
- Significant deficiency(s) identified that are not considered to be material weaknesses? _____ Yes _____ x _____ none reported

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

_____ Yes _____ x _____ no

Identification of major programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>
16.575	Victims of Crime Act
16.588	STOP Violence Against Women
93.671	Family Violence Shelter Programs

Dollar threshold used to distinguish between type A and type B programs:

\$300,000

Auditee qualified as low-risk auditee?

_____ X _____ yes _____ no