

NASHVILLE YOUNG WOMEN'S
CHRISTIAN ASSOCIATION

FINANCIAL STATEMENTS,
ADDITIONAL INFORMATION
AND
INDEPENDENT AUDITORS' REPORTS

JUNE 30, 2010 AND 2009

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of the Nashville Young Women's Christian Association (the "YWCA") as of June 30, 2010 and 2009, 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the YWCA's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, 2010 and 2009, 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 November 18, 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
November 18, 2010

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 510,041	\$ 820,967
Pledges and other receivables, net - Note 6	165,926	184,992
Grants receivable	99,039	131,552
Prepaid expenses	83,041	34,184
Beneficial interest in charitable remainder trust, net - Note 4	31,806	30,333
Investments - Note 4	3,366,719	2,605,718
Land, buildings and equipment, net - Note 5	<u>3,372,264</u>	<u>3,409,523</u>
TOTAL ASSETS	<u>\$ 7,628,836</u>	<u>\$ 7,217,269</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable	\$ 80,761	\$ 17,251
Accrued expenses and withheld taxes	115,768	59,309
Grants payable to subrecipients	1,928	5,170
Deferred revenues	<u>40,619</u>	<u>28,499</u>
TOTAL LIABILITIES	<u>239,076</u>	<u>110,229</u>
NET ASSETS		
Unrestricted:		
Undesignated	1,580,945	578,070
Designated for property and equipment	<u>3,372,264</u>	<u>3,409,523</u>
Total unrestricted	4,953,209	3,987,593
Temporarily restricted - Note 8	641,815	1,324,711
Permanently restricted - Note 9	<u>1,794,736</u>	<u>1,794,736</u>
TOTAL NET ASSETS	<u>7,389,760</u>	<u>7,107,040</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,628,836</u>	<u>\$ 7,217,269</u>

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
REVENUES AND SUPPORT								
Contributions	\$ 1,228,110	\$ -	\$ -	\$ 1,228,110	\$ 1,084,467	\$ 1,254,656	\$ -	\$ 2,339,123
United Way contributions	246,044	-	-	246,044	258,656	-	-	258,656
Grants from federal, state and local agencies	1,378,479	-	-	1,378,479	1,035,468	-	-	1,035,468
Program service fees	3,450	-	-	3,450	3,163	-	-	3,163
Rental income	-	-	-	-	1,601	-	-	1,601
Other income	161,621	-	-	161,621	82,205	-	-	82,205
Investment income (loss), net	167,264	161,482	-	328,746	(183,275)	(141,531)	-	(324,806)
Net assets released from restrictions	844,378	(844,378)	-	-	1,075,416	(1,075,416)	-	-
TOTAL REVENUES AND SUPPORT	4,029,346	(682,896)	-	3,346,450	3,357,701	37,709	-	3,395,410
PROGRAM SERVICES								
Educational/employment training	451,871	-	-	451,871	479,328	-	-	479,328
Youth services	127,561	-	-	127,561	122,166	-	-	122,166
Domestic violence	1,540,061	-	-	1,540,061	1,444,872	-	-	1,444,872
TOTAL PROGRAM SERVICES	2,119,493	-	-	2,119,493	2,046,366	-	-	2,046,366
SUPPORTING SERVICES								
Administrative	466,704	-	-	466,704	470,704	-	-	470,704
Development	477,533	-	-	477,533	441,704	-	-	441,704
TOTAL SUPPORTING SERVICES	944,237	-	-	944,237	912,408	-	-	912,408
TOTAL EXPENSES	3,063,730	-	-	3,063,730	2,958,774	-	-	2,958,774
CHANGE IN NET ASSETS	965,616	(682,896)	-	282,720	398,927	37,709	-	436,636
NET ASSETS - BEGINNING 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
NET ASSETS - END OF YEAR	\$ 4,953,209	\$ 641,815	\$ 1,794,736	\$ 7,389,760	\$ 3,987,593	\$ 1,324,711	\$ 1,794,736	\$ 7,107,040

See accompanying notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

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			Totals
	Educational/ Employment Training	Youth Services	Domestic Violence	Total	Administration	Development	Total
Salaries	\$ 272,519	\$ 75,563	\$ 758,146	\$ 1,106,228	\$ 233,091	\$ 196,135	\$ 429,226
Employee benefits and taxes	58,412	12,145	154,118	224,675	41,935	29,343	71,278
TOTAL SALARIES AND RELATED EXPENSES	330,931	87,708	912,264	1,330,903	275,026	225,478	500,504
Professional fees and contracted services	16,952	8,009	30,113	55,074	49,459	38,755	88,214
Supplies	14,048	4,077	30,136	48,261	7,041	16,624	23,665
Telephone and postage	7,063	2,858	21,710	31,631	5,775	6,429	12,204
Occupancy	47,881	1,929	131,603	181,413	20,529	5,764	26,293
Rental and maintenance of equipment	7,919	2,310	14,422	24,651	19,414	4,215	23,629
Printing	421	68	4,043	4,532	937	10,545	11,482
Travel	2,626	1,755	10,630	15,011	1,463	727	2,190
Conferences, conventions and meetings	560	7,504	12,187	20,251	3,409	121,672	125,081
Specific assistance - other	-	-	116,002	116,002	6,353	-	6,353
Insurance - general	6,579	2,322	23,219	32,120	3,483	3,054	6,537
Interest	-	-	8,887	8,887	62	-	62
Bad debt	-	-	-	-	23,664	-	23,664
Miscellaneous	3,651	2,288	14,435	20,374	20,009	3,838	23,847
Grant expenses - subrecipient	-	-	19,602	19,602	-	-	-
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	438,631	120,828	1,349,253	1,908,712	436,624	437,101	873,725
Depreciation and amortization	40,697	1,338	95,619	137,654	34,080	4,603	38,683
TOTAL EXPENSES	\$ 479,328	\$ 122,166	\$ 1,444,872	\$ 2,046,366	\$ 470,704	\$ 441,704	\$ 912,408
							\$ 2,958,774

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 282,720	\$ 436,636
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	189,148	162,179
Amortization of debt issue costs	-	14,157
Bad debt expense	-	23,664
Realized and unrealized (gains) losses on investments	(325,001)	363,418
Loss on sale of equipment	1,798	-
(Increase) decrease in:		
Pledges and other receivables	19,066	372,505
Grants receivable	32,513	(46,718)
Prepaid expenses	(48,857)	1,935
Beneficial interest in charitable remainder trust	(1,473)	7,967
Increase (decrease) in:		
Accounts payable	63,510	3,103
Accrued expenses and withheld taxes	56,459	(43,502)
Grants payable to subrecipients	(3,242)	924
Deferred revenues	<u>12,120</u>	<u>(19,638)</u>
TOTAL ADJUSTMENTS	<u>(3,959)</u>	<u>839,994</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>278,761</u>	<u>1,276,630</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturation of investments	164,000	1,976,367
Purchase of investments	(600,000)	(1,850,510)
Purchase of land, buildings and equipment	<u>(153,687)</u>	<u>(164,310)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(589,687)</u>	<u>(38,453)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term debt	<u>-</u>	<u>(620,133)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(620,133)</u>
INCREASE (DECREASE) IN CASH	(310,926)	618,044
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>820,967</u>	<u>202,923</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 510,041</u>	<u>\$ 820,967</u>
INTEREST EXPENSE PAID	<u>\$ -</u>	<u>\$ 8,949</u>

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

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 \$19,041 in 2010 (\$21,474 in 2009), and is included in professional fees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets of the YWCA on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as unrestricted, temporarily restricted or permanently restricted based on the existence or absence of donor-imposed restriction 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.
- *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 certain restricted or unrestricted purposes.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Codification

In June 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a Replacement of FASB Statement No. 162*. This statement modifies the GAAP hierarchy by establishing only two levels of GAAP, authoritative and nonauthoritative accounting literature. Effective July 2009, the FASB Accounting Standards Codification (the "Codification") is considered the single source of authoritative U.S. accounting and reporting standards, except for additional authoritative rules and interpretive releases issued by the Securities and Exchange Commission. Nonauthoritative guidance and literature include, among other things, FASB Concepts Statements, American Institute of Certified Public Accountants Issues Papers and Technical Practice Aids, and accounting textbooks. The Codification was developed to organize GAAP pronouncements by topic so that users can more easily access authoritative accounting guidance.

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.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support (Continued)

Contributed services are reported as contribution revenue and as assets or expense when the services would otherwise need to be purchased by the organization, require specialized skills and are provided by persons with those skills. Such contributions are reported at estimated fair value. Public relations and development services contributed to the YWCA amounted to approximately \$9,000 in 2010 (\$47,000, including construction services, in 2009) and have been recorded as contributions and professional fees and contracted services under development in the supporting services functional expense classification.

Cash Equivalents

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

Pledges, Grants and Other Receivables

Pledges and other receivables 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, 2010 or 2009). 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.

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.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charitable Remainder Trust

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

Investments

Investments in money market accounts, certificates of deposit, mutual funds 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 year ended June 30, 2009.

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 automobiles.

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.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Financial accounting standards relating to fair value measurements establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the YWCA has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by the observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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.

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 measurement of the YWCA's beneficial interest in charitable remainder trust was determined at the date of gift and is adjusted annually for the change in present value of the estimated future cash flows. The valuation is based on the term of the trust or actuarial life expectancy of the life income recipient using the discount rate in existence at the time of notification by the trustee of the YWCA's interest.

No changes in the valuation methodologies have been made since the prior year.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental Income

A portion of the facility is leased out from time to time on a short-term basis. There were no minimum future rental commitments under such leases as of June 30, 2010.

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 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.

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.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

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.

Income Taxes

The YWCA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

During the year ended June 30, 2010, the YWCA adopted new guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions. Income tax positions must meet a more-likely-than-not recognition threshold to be recognized. Adoption of this guidance had no material effect on the YWCA's financial position and change in net assets.

As of June 30, 2010, the YWCA did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the year then ended.

The YWCA files U.S. Federal Form 990 for organizations exempt from income tax. Tax returns are subject to audit by the U.S. Internal Revenue Service for three years following the date of filing. Tax returns for years prior to fiscal year ended June 30, 2008 are closed.

Use of Estimates

The preparation of financial statements in conformity with GAAP 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, 2010 AND 2009

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Events Occurring after Reporting Date

The YWCA has evaluated events and transactions that occurred between June 30, 2010 and November 18, 2010, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The YWCA maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. As of June 30, 2010, the YWCA's depositor accounts did not exceed FDIC insurance limits.

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.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 4 - FAIR VALUE MEASUREMENTS

The following table sets forth the YWCA's major categories of assets and liabilities measured at fair value on a recurring basis, by level within the fair value hierarchy, as of December 31:

<u>2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market accounts	\$ 1,586,416	\$ -	\$ -	\$ 1,586,416
Certificates of deposit	-	95,000	-	95,000
Preferred stock	18,534	-	-	18,534
Common stock:				
Basic materials	5,984	-	-	5,984
Consumer goods	13,592	-	-	13,592
Financial	407,976	-	-	407,976
Healthcare	44,448	-	-	44,448
Industrial goods	48,932	-	-	48,932
International	79,102	-	-	79,102
Services	83,387	-	-	83,387
Technology	12,401	-	-	12,401
Mutual funds:				
Value funds	970,947	-	-	970,947
Total Investments	3,271,719	95,000	-	3,366,719
Beneficial interest in charitable remainder trust	-	-	31,806	31,806
	<u>\$ 3,271,719</u>	<u>\$ 95,000</u>	<u>\$ 31,806</u>	<u>\$ 3,398,525</u>

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

<u>2009</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
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
Total Investments	1,985,718	620,000	-	2,605,718
Beneficial interest in				
charitable remainder trust	-	-	30,333	30,333
	<u>\$ 1,985,718</u>	<u>\$ 620,000</u>	<u>\$ 30,333</u>	<u>\$ 2,636,051</u>

A summary of the changes in assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) follows:

Beneficial interest in charitable remainder trust

Balance, July 1, 2009	\$ 30,333
Change in fair value of beneficial interest	<u>1,473</u>
Balance, June 30, 2010	<u>\$ 31,806</u>

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 4 - FAIR VALUE MEASUREMENTS (CONTINUED)

Costs and estimated fair values of investments were as follows at December 31:

	<u>2010</u>		<u>2009</u>	
	<u>Estimated Fair Value</u>	<u>Cost</u>	<u>Estimated Fair Value</u>	<u>Cost</u>
Money market accounts	\$ 1,586,416	\$ 1,586,416	\$ 657,110	\$ 657,110
Certificates of deposit	95,000	95,000	525,000	525,000
Corporate bonds	-	-	95,000	95,000
Preferred stock	18,534	27,226	17,574	27,266
Common stock	695,822	542,914	495,886	542,914
Mutual funds	970,947	842,231	815,148	834,309
	<u>\$ 3,366,719</u>	<u>\$ 3,093,787</u>	<u>\$ 2,605,718</u>	<u>\$ 2,681,599</u>

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

	<u>2010</u>	<u>2009</u>
Interest and dividend income	\$ 3,745	\$ 38,612
Realized and unrealized gains (losses) on investments	<u>325,001</u>	<u>(363,418)</u>
Total investment income (loss), net	<u>\$ 328,746</u>	<u>\$ (324,806)</u>

Investment expenses of \$13,337 were included in realized and unrealized gains and losses for the year ended June 30, 2010 (\$11,664 for the year ended June 30, 2009).

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 5 - LAND, BUILDINGS AND EQUIPMENT

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

	<u>2010</u>	<u>2009</u>
Land	\$ 405,763	\$ 405,763
Buildings and improvements	4,945,262	4,826,090
Office equipment	901,744	839,663
Program equipment	36,598	36,598
Automobile	16,706	26,231
Construction in progress	<u>-</u>	<u>26,960</u>
	6,306,073	6,161,305
Less: accumulated depreciation	<u>(2,933,809)</u>	<u>(2,751,782)</u>
	<u>\$ 3,372,264</u>	<u>\$ 3,409,523</u>

Depreciation expense recognized by the YWCA amounted to \$189,148 and \$162,179 for the years ended June 30, 2010 and 2009, respectively.

NOTE 6 - PLEDGES AND OTHER RECEIVABLES

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

	<u>2010</u>	<u>2009</u>
Due within one year	\$ 65,926	\$ 81,764
Due within two to five years	<u>100,000</u>	<u>104,356</u>
	165,926	186,120
Less: allowance for doubtful accounts	<u>-</u>	<u>(1,128)</u>
	<u>\$ 165,926</u>	<u>\$ 184,992</u>

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 7 - LONG-TERM DEBT

The YWCA 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. No borrowings were made under this agreement during fiscal years 2010 or 2009. The revolving line of credit agreement expires April 28, 2011.

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2010</u>	<u>2009</u>
Beneficial interest in charitable remainder trust, net	\$ 31,806	\$ 30,333
Domestic violence program	-	7,409
Education program	-	312,199
Girls, Inc. youth program	-	50,000
Burn the Mortgage campaign	450,000	924,770
Net gains on permanently restricted endowment since inception	<u>160,009</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$ 641,815</u>	<u>\$ 1,324,711</u>

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 9 - ENDOWMENT FUNDS

Financial accounting standards provide 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). Net assets associated with endowment funds are required to be classified and reported based on the existence or absence of donor-imposed restrictions.

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.

Interpretation of applicable law - In applying the provisions of the applicable law, 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.

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). 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. There were no distributions from the endowment for the year ended June 30, 2010. 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.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

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.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 9 - ENDOWMENT FUNDS (CONTINUED)

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

	2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds	\$ -	\$ 160,009	\$ 1,794,736	\$ 1,954,745
	2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted endowment funds (1)	\$ (70,972)	\$ -	\$ 1,794,736	\$ 1,723,764

- (1) The fair value of the donor-restricted endowment funds as determined, in accordance with the requirements of applicable professional standards, 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, 2010.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2010 AND 2009

NOTE 9 - ENDOWMENT FUNDS (CONTINUED)

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

	2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, July 1, 2009	\$ (70,972)	\$ -	\$1,794,736	\$ 1,723,764
Realized and unrealized gain	70,972	160,009	-	230,981
Endowment net assets, June 30, 2010	<u>\$ -</u>	<u>\$ 160,009</u>	<u>\$1,794,736</u>	<u>\$ 1,954,745</u>

	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>

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 \$31,000 and \$35,000 for the years ended June 30, 2010 and 2009, 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, 2010

GRANT DESCRIPTION	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED) DEFERRED REVENUE 6/30/09	7/1/09 - 6/30/10		(ACCRUED) DEFERRED REVENUE 6/30/10
						RECEIPTS	EXPENDITURES	
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT								
Housing Assistance for Homeless Women	14.235	TN37B704004	7/1/08 - 6/30/10	\$ 347,541	\$ (10,496)	\$ 190,396	\$ 204,435	\$ (24,535)
TOTAL PASSED DIRECTLY TO GRANTEE					(10,496)	190,396	204,435	(24,535)
PASSED THROUGH METROPOLITAN DEVELOPMENT AND HOUSING AGENCY:								
Emergency Shelter Grant Program	14.231	4328	4/1/09 - 3/31/10	11,670	-	11,670	11,670	-
Emergency Shelter Grant Program	14.231	4328	4/1/10 - 3/31/11	18,000	-	-	5,264	(5,264)
Housing Assistance Payments Program Special Allocations	14.317 - ARRA	TN572-06	10/1/09 - 9/30/10	264,977	-	57,473	69,271	(11,798)
TOTAL PASSED THROUGH METROPOLITAN DEVELOPMENT AND HOUSING AGENCY					-	69,143	86,205	(17,062)
TOTAL US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					(10,496)	259,539	290,640	(41,597)
US DEPARTMENT OF JUSTICE								
OVW-Elder Abuse	16.528	2007-EW-AX-K010	10/1/07 - 9/30/10	323,430	(13,600)	91,725	90,006	(11,881)
OVW-Transitional Housing	16.736	2008-WH-AV-0002	9/1/08 - 8/31/11	165,516	(6,493)	72,506	75,524	(9,511)
TOTAL PASSED DIRECTLY TO GRANTEE					(20,093)	164,231	165,530	(21,392)
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	(9,694)	9,694	-	-
Victims of Crime Act (VOCA)	16.575	(1) 3813	7/1/09 - 6/30/12	318,636	-	106,212	106,212	-
STOP Violence Against Women	16.588	(1) Z-07-033022-00	7/1/06 - 6/30/09	189,831	(6,482)	6,482	-	-
STOP Violence Against Women	16.588	(1) 4186	7/1/09 - 6/30/12	189,831	-	63,277	63,277	-
STOP Violence Against Women	16.588 - ARRA	(1) 3769	7/1/09 - 4/30/11	52,930	-	11,043	13,366	(2,323)
Byrne JAG	16.803 - ARRA	3600	7/1/09 - 6/30/11	56,000	-	28,000	28,000	-
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS					(16,176)	224,708	210,855	(2,323)
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	(21,602)	24,213	2,611	-
Tennessee Commission on Children and Youth	16.540	Z-09-213589-00	10/1/09 - 9/30/10	35,000	-	16,579	26,250	(9,671)
TOTAL PASSED THROUGH TENNESSEE COMMISSION ON CHILDREN AND YOUTH					(21,602)	40,792	28,861	(9,671)
TOTAL US DEPARTMENT OF JUSTICE					(57,871)	429,731	405,246	(33,386)
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	(19,756)	150,400	130,644	-
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	(3,553)	16,456	11,583	1,320
Child and Adult Nutrition Programs (CACFP)	10.558	03-47-20007-003	10/1/09 - 9/30/10	49,000	-	37,704	43,869	(6,165)
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF HUMAN SERVICES					(3,553)	54,160	55,452	(4,845)
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES					(23,309)	204,560	186,096	(4,845)

(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, 2010

GRANT DESCRIPTION	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED)	7/1/09 - 6/30/10		(ACCRUED)
					DEFERRED REVENUE 6/30/09	RECEIPTS	EXPENDITURES	DEFERRED REVENUE 6/30/10
US DEPARTMENT OF EDUCATION								
PASSED THROUGH TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT:								
Tennessee Department of Labor - Adult Education	84.002	Z-09-2135296-00	7/1/08 - 6/30/09	\$ 168,680	\$ (1,817)	\$ 1,817	\$ -	\$ -
Tennessee Department of Labor - Adult Education	84.002	Z-10-218570-00	7/1/09 - 6/30/10	218,000	-	218,000	218,000	-
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT					(1,817)	219,817	218,000	-
TOTAL US DEPARTMENT OF EDUCATION					(1,817)	219,817	218,000	-
US DEPARTMENT OF HOMELAND SECURITY								
PASSED THROUGH THE EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM:								
Emergency Food and Shelter National Board Program	97.024	LROID-765200-008	1/1/09 - 10/31/09	15,330	(8,451)	8,451	-	-
Emergency Food and Shelter National Board Program	97.024	LROID-765200-008	1/1/10 - 12/31/10	16,903	-	22,397	22,397	-
Emergency Food and Shelter National Board Program	97.114 - ARRA	LROID-765200-008	4/1/09 - 10/31/09	9,908	(4,954)	4,954	-	-
TOTAL PASSED THROUGH THE EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM					(13,405)	35,802	22,397	-
TOTAL US DEPARTMENT OF HOMELAND SECURITY					(13,405)	35,802	22,397	-
TOTAL EXPENDITURES OF FEDERAL AWARDS					(106,898)	1,149,449	1,122,379	(79,828)
EXPENDITURES OF STATE AND OTHER AWARDS								
Metro Government of Nashville and Davidson County	Local	L-2097	7/1/08 - 6/30/09	196,170	(24,654)	24,654	-	-
Metro Government of Nashville and Davidson County	Local	L-2298	7/1/09 - 6/30/10	256,100	-	236,889	256,100	(19,211)
TOTAL EXPENDITURES OF STATE AND OTHER AWARDS					(24,654)	261,543	256,100	(19,211)
TOTAL EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS					\$ (131,552)	\$ 1,410,992	\$ 1,378,479	\$ (99,039)

(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, 2010, and have issued our report thereon dated November 18, 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 *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Kyle CPAs PLLC

Nashville, Tennessee
November 18, 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 Nashville Young Women's Christian Association's (the "YWCA") compliance with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the YWCA's major federal programs for the year ended June 30, 2010. 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. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 *deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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, 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. B. C. A. S. D. F. L. C." with a stylized flourish at the end.

Nashville, Tennessee
November 18, 2010

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2010

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ no
- Significant deficiency(ies) identified? ☐ Yes ☒ none reported

Noncompliance material to financial statements noted?

☐ Yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ no
- Significant deficiency(ies) identified? ☐ Yes ☒ 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 ☒ 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
16.588 - ARRA	STOP Violence Against Women - ARRA
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?

☒ yes ☐ no