

**OPERATION STAND DOWN NASHVILLE, INC.**  
**(A TENNESSEE CORPORATION - NOT-FOR-PROFIT)**

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

**(Together with Independent Auditor's Report)**

**OPERATION STAND DOWN NASHVILLE, INC.**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Operation Stand Down Nashville, Inc.  
Nashville, Tennessee

I have audited the accompanying statement of financial position of Operation Stand Down Nashville, Inc. (a Tennessee Corporation - Not For Profit) as of December 31, 2011 and the related statements of activities and changes in net assets, functional expenses, and statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly in all material respects, the financial position of Operation Stand Down Nashville, Inc. as of December 31, 2011, and the results of its operations and changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated January 27, 2012, on my consideration of Operation Stand Down Nashville, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the financial statements referred to above taken as a whole. The schedule of support and revenue is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

January 27, 2012



DAVID P. GUENTHER

**OPERATION STAND DOWN NASHVILLE, INC.  
(A TENNESSEE CORPORATION - NOT FOR PROFIT)  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2011**

**ASSETS**

**Current assets:**

Cash on hand and in banks	\$ 164,495
Grant funds receivable	56,782
Accounts receivable	32
Prepaid expenses	49,105
Total current assets	<u>\$ 270,414</u>

**Fixed assets:**

Land	\$ 75,650
Buildings and improvements	1,259,410
Equipment & furniture	308,639
Vehicles	73,360
	<u>\$ 1,717,059</u>
Less: Accumulated depreciation	<u>737,259</u>
Total fixed assets	<u>\$ 979,800</u>
Total assets	<u><u>\$ 1,250,214</u></u>

The accompanying notes to financial statements are an integral part of this statement.

## **LIABILITIES AND NET ASSETS**

### **Current liabilities:**

Note payable-current portion	\$ 20,425
Accounts payable - trade	21,262
Accrued compensation	46,124
Total current liabilities	<u>\$ 87,811</u>

### **Other liabilities:**

Note payable, net of current portion shown above	<u>\$ 608,115</u>
Total other liabilities	<u>\$ 608,115</u>

### **Net assets:**

Unrestricted	\$ 477,919
Temporarily restricted	76,369
Total net assets	<u>\$ 554,288</u>

Total liabilities and net assets	<u><u>\$ 1,250,214</u></u>
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OPERATION STAND DOWN NASHVILLE, INC.  
(A TENNESSEE CORPORATION-NOT FOR PROFIT)  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Public support and revenue:			
Public support:			
Contributions	\$ 360,931	\$ 229,202	\$ 131,729
Federal grants	1,554,963	1,554,963	-
United Way	10,969	10,969	-
Total public support	<u>\$ 1,926,863</u>	<u>\$ 1,795,134</u>	<u>\$ 131,729</u>
Revenue:			
Contract income	\$ 37,145	\$ 37,145	\$ -
Interest income	442	442	-
Annual event	59,607	59,607	-
Fund raising event	28,748	28,748	-
Client fees	30,173	30,173	-
Sales to the public	23,291	23,291	-
Total revenues	<u>\$ 179,406</u>	<u>\$ 179,406</u>	<u>\$ -</u>
Total public support and revenue	<u>\$ 2,106,269</u>	<u>\$ 1,974,540</u>	<u>\$ 131,729</u>
Net assets released from restriction	\$ -	\$ 287,131	\$ (287,131)
Expenses:			
Program services	\$ 2,091,341	\$ 2,091,341	\$ -
Management & general	200,372	200,372	-
Fund raising	22,889	22,889	-
Total expenses	<u>\$ 2,314,602</u>	<u>\$ 2,314,602</u>	<u>\$ -</u>
Increase (decrease) in net assets	\$ (208,333)	\$ (52,931)	\$ (155,402)
Net assets, December 31, 2010	<u>762,621</u>	<u>530,850</u>	<u>231,771</u>
Net assets, December 31, 2011	<u><u>\$ 554,288</u></u>	<u><u>\$ 477,919</u></u>	<u><u>\$ 76,369</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**OPERATION STAND DOWN NASHVILLE, INC.**  
**(A TENNESSEE CORPORATION-NOT FOR PROFIT)**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

	PROGRAM SERVICES	MANAGEMENT & GENERAL	FUND RAISING	TOTAL ALL PROGRAMS
<b>Compensation expense:</b>				
Salaries	\$ 893,110	\$ 112,556	\$ 7,848	\$ 1,013,514
Employee benefits	12,787	-	-	12,787
Payroll taxes	79,848	10,189	681	90,718
Total compensation expense	<u>\$ 985,745</u>	<u>\$ 122,745</u>	<u>\$ 8,529</u>	<u>\$ 1,117,019</u>
<b>Other expenses:</b>				
Assistance to clients	\$ 316,123	\$ -	\$ -	\$ 316,123
Dues & subscriptions	1,300	370	-	1,670
Depreciation	92,116	56,506	-	148,622
Event expense	52,434	-	-	52,434
Fund raising event	-	-	13,939	13,939
Insurance	36,971	156	-	37,127
Interest	34,006	631	-	34,637
Miscellaneous	1,219	1,118	-	2,337
Occupancy expense	222,977	13,277	-	236,254
Professional fees	151,086	-	2	151,088
Staff training	4,654	-	-	4,654
Supplies and general	151,567	4,664	419	156,650
Telephone	14,338	905	-	15,243
Travel	26,805	-	-	26,805
Total other expenses	<u>\$ 1,105,596</u>	<u>\$ 77,627</u>	<u>\$ 14,360</u>	<u>\$ 1,197,583</u>
<b>Total expenses</b>	<u><u>\$ 2,091,341</u></u>	<u><u>\$ 200,372</u></u>	<u><u>\$ 22,889</u></u>	<u><u>\$ 2,314,602</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**OPERATION STAND DOWN NASHVILLE, INC.  
(A TENNESSEE CORPORATION FOR NOT PROFIT)  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (208,333)
<b>Adjustments to reconcile change in net assets to net cash used by operating activities:</b>	
Depreciation	148,622
Donated fixed assets	(15,250)
Decrease in accounts receivable	50,000
Increase in grant funds receivable	(6,158)
Increase in prepaid expenses	(10,134)
Decrease in accounts payable	(48,247)
Increase in accrued compensation	<u>6,706</u>
Net cash used by operating activities	\$ <u>(82,794)</u>
<b>Cash flows from financing activities:</b>	
Repayment of loans from banks	\$ <u>(18,939)</u>
Net cash used by financing activities	\$ <u>(18,939)</u>
<b>Cash flows from investing activities:</b>	
Purchase of property and equipment	\$ <u>(33,625)</u>
Net cash used by investing activities	\$ <u>(33,625)</u>
Net decrease in cash	\$ (135,358)
Cash, beginning of period	<u>299,853</u>
Cash, end of period	<u><u>\$ 164,495</u></u>
<b>Supplemental information:</b>	
Cash paid for interest expense	\$ <u><u>34,637</u></u>

The accompanying notes to financial statements are an integral part of this statement.



**OPERATION STAND DOWN NASHVILLE, INC.  
(A TENNESSEE CORPORATION-NOT FOR PROFIT)  
SCHEDULE OF SUPPORT AND REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>U.S. Department of Veterans Affairs</b>	<b>\$ 671,463</b>
<b>U.S. Department of Labor</b>	<b>823,500</b>
<b>U.S. Department of Housing and Urban Development</b>	<b>60,000</b>
<b>United Way</b>	<b>10,969</b>
<b>Metropolitan Nashville Development and Housing Agency</b>	<b>37,145</b>
<b>Contributions and assessments from:</b>	
<b>Annual OSDN event</b>	<b>59,607</b>
<b>Client fees</b>	<b>30,173</b>
<b>Interest income</b>	<b>442</b>
<b>Fund raising event</b>	<b>28,748</b>
<b>Sales to the public</b>	<b>23,291</b>
<b>Other monetary contributions</b>	<b>227,464</b>
<b>Other nonmonetary contributions</b>	<b><u>133,467</u></b>
	<b><u>\$ 2,106,269</u></b>

The accompanying notes to financial statements are an integral part of this statement.

**OPERATION STAND DOWN NASHVILLE, INC.  
(A TENNESSEE CORPORATION – NOT FOR PROFIT)  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**(1) ACCOUNTING POLICIES:**

**Standards of Accounting and Financial Reporting** – The Agency follows the standards of accounting and financial reporting as reflected in the AICPA Audit and Accounting Guide *Not-for-Profit Organizations*.

In accordance with these standards, all expenses are allocated into functional categories, dependent upon the ultimate purpose of the expenditure.

**Fixed Assets** – Land, buildings, and equipment are stated at cost. Depreciation of fixed assets is calculated by the straight-line method over the estimated useful lives of the assets. Donated fixed assets are recorded at their fair market value at the date of donation.

**Estimates** – The preparation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

**(2) ORGANIZATION & GENERAL:**

Operation Stand Down Nashville, Inc., (The Agency) was formed to assist military veterans in need of employment, medical treatment, legal assistance, sleeping quarters and other services from community and social service agencies.

**(3) TAX STATUS:**

The Agency is a nonprofit organization, exempt from income tax under Section 501 (c) 3 of the U.S. Internal Revenue Code. Contributions to the Agency qualify for the 50 percent charitable contributions limitation. The Agency's tax returns for the years 2008, 2009 and 2010 are subject to routine audit by the Internal Revenue Service.

**(4) NOTES PAYABLE:**

Notes payable as of December 31, 2011 were as follows:

	<u>Current Portion</u>	<u>Non- Current Portion</u>
Line of credit payable to Renasant Bank, interest at 5% secured by furniture, equipment and vehicles, subject to a maximum availability of \$50,000.	\$ -	\$ -
Note payable to Renasant Bank, 5.25%, due in monthly installments of \$4,411.44, including interest, through September, 2015, with a balloon payment of \$544,086 due October, 2015, secured by substantially all the agency's real estate.	<u>20,425</u>	<u>608,115</u>
	<u><u>\$ 20,425</u></u>	<u><u>\$ 608,115</u></u>

Future maturities of notes payable are as follows:

Year ended December 31,	
2012	\$ 20,425
2013	21,524
2014	22,682
2015	563,909
2016	-
Thereafter	-

**(5) SIGNIFICANT FUNDING SOURCES:**

Operation Stand Down Nashville, Inc., receives a major portion of its funds from Federal grants and contracts from independent agencies for the conduct of its programs. A major reduction of funds from one of the grantor agencies, should this occur, would have a material effect on the programs and the financial position of the Agency.

**(6) LEASES:**

The agency currently operates from a facility leased under an agreement expiring in April, 2014. Rents paid under this lease amounted to \$69,333 in 2011.

Future minimum lease commitments are as follows:

2012	\$ 71,413
2013	73,556
2014	31,025

**(7) SUBSEQUENT EVENTS:**

The Agency has evaluated subsequent events through January 27, 2012, the date which the financial statements were available to be issued. No events have occurred which would have a material effect on the financial statements of the Agency as of that date.

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**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  
Operation Stand Down Nashville, Inc.  
Nashville, Tennessee

I have audited the financial statements of Operation Stand Down Nashville, Inc. as of and for the year ended December 31, 2011, and have issued my report thereon dated January 27, 2012. I conducted my 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 my audit, I considered Operation Stand Down Nashville's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Operation Stand Down Nashville's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Company'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 company'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 company's financial statements that is more than inconsequential will not be prevented or detected by the company'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 company's internal control.

My consideration of 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 internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Operation Stand Down Nashville's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 Veterans Administration and the U. S. Departments of Labor and Housing & Urban Departments. However, this report is a matter of public record, and its distribution is not limited.

A handwritten signature in black ink, appearing to read 'David P. Guenther', with a stylized, flowing script.

DAVID P. GUENTHER

January 27, 2012

**DAVID P. GUENTHER**  
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**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  
Operation Stand Down Nashville, Inc.  
Nashville, Tennessee**

**I have audited the compliance of Operation Stand Down Nashville, Inc., with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that is applicable to its major federal program for the year ended December 31, 2011. Operation Stand Down Nashville, Inc.'s major federal program is 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 its major federal program is the responsibility of Operation Stand Down Nashville, Inc. management. My responsibility is to express an opinion on Operation Stand Down Nashville, Inc.'s compliance based on my audit.**

**I conducted my 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; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I 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 Operation Stand Down Nashville, Inc., compliance with those requirements and performing such other procedures, as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Operation Stand Down Nashville, Inc.'s compliance with those requirements.**

**In my opinion, Operation Stand Down Nashville, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended December 31, 2011.**

**Internal Control Over Compliance**

The management of Operation Stand Down Nashville, Inc. 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 my audit, I considered Operation Stand Down Nashville, Inc. internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my 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.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of The Board of Directors, management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

January 27, 2012



DAVID P. GUENTHER



**DAVID P. GUENTHER**  
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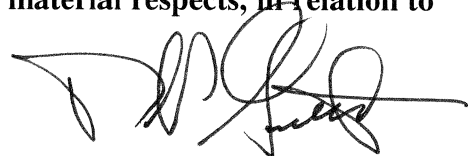
**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL AWARDS**

**To the Board of Directors  
Operation Stand Down Nashville, Inc.  
Nashville, Tennessee**

**I have audited the financial statements of Operation Stand Down Nashville, Inc., (a Tennessee Corporation – Not For Profit) for the year ended December 31, 2011 and have issued my report thereon dated January 27, 2012. These financial statements are the responsibility of the management of Operation Stand Down Nashville, Inc. My responsibility is to express an opinion on these financial statements based on my audit.**

**I conducted my 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. Those standards require that I 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 general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.**

**My audit was made for the purpose of forming an opinion on the financial statement of Operation Stand Down Nashville, Inc., taken as a whole. The accompanying Schedule of Federal Awards is presented for purposes of additional analysis as required by the 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 had been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.**



**DAVID P. GUENTHER**

**January 27, 2012**

**OPERATION STAND DOWN NASHVILLE, INC.**  
**( A TENNESSEE CORPORATION FOR NOT PROFIT)**  
**SCHEDULE OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2011**

<b>CFDA NUMBER</b>	<b>PROGRAM</b>	<b>BALANCE, DEC. 31, 2010</b>	<b>CASH RECEIPTS</b>	<b>TRANSFERS IN</b>
	<b>FEDERAL</b>			
	<b>TYPE A PROGRAMS</b>			
97.024	Veterans Administration 01-004-SVC	\$ (9,516)	\$ 135,807	\$ -
	Veterans Administration 01-004-TN	(30,428)	400,678	-
	Veterans Administration 05-6-TN	(10,680)	128,820	-
	Total 97.024	\$ (50,624)	\$ 665,305	\$ -
17.804	Department of Labor HV-19160-HVO	\$ -	\$ 143,500	\$ -
	HV-19160-HVO MOD1	-	143,000	-
	VW-20702-10-60-5-47	-	290,000	-
	VW-20702-10-60-5-47 MOD1	-	247,000	-
	Total 17.804	\$ -	\$ 823,500	\$ -
	Total Type A Programs	\$ (50,624)	\$ 1,488,805	\$ -
	<b>TYPE B PROGRAMS</b>			
14.231	Department of Housing & Urban Development TN0057B4J041003	\$ -	\$ 30,000	\$ -
	TN57B4J040802	-	30,000	-
	Total 14.231	\$ -	\$ 60,000	\$ -
	Total Type B Programs	\$ -	\$ 60,000	\$ -
	Total Federal Funds	\$ (50,624)	\$ 1,548,805	\$ -
	Total Grant Funds	\$ (50,624)	\$ 1,548,805	\$ -

The accompanying notes to financial statements are an integral part of this statement.

<u>OTHER</u> <u>ADDITIONS</u>	<u>EXPENDITURES</u>	<u>PAID TO</u> <u>GRANTOR</u>	<u>TRANSFERS</u> <u>OUT</u>	<u>OTHER</u> <u>DEDUCTIONS</u>	<u>BALANCE</u> <u>DEC. 31, 2011</u>
\$ -	\$ 135,926	\$ -	\$ -	\$ -	\$ (9,635)
-	406,116	-	-	-	(33,368)
-	129,421	-	-	-	(11,281)
\$ -	\$ 671,463	\$ -	\$ -	\$ -	\$ (56,782)
\$ -	\$ 143,500	\$ -	\$ -	\$ -	\$ -
-	143,000	-	-	-	-
-	290,000	-	-	-	-
-	247,000	-	-	-	-
\$ -	\$ 823,500	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 1,494,963	\$ -	\$ -	\$ -	\$ (56,782)
\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ -
-	30,000	-	-	-	-
\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 1,554,963	\$ -	\$ -	\$ -	\$ (56,782)
\$ -	\$ 1,554,963	\$ -	\$ -	\$ -	\$ (56,782)

**OPERATION STAND DOWN NASHVILLE, INC.  
(A TENNESSEE CORPORATION – NOT FOR PROFIT)  
NOTES TO SCHEDULE OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**(1) ACCOUNTING POLICIES:**

**The books and records supporting the Schedule of Federal Awards are maintained on the accrual basis of accounting, whereby revenues are recorded as earned, and expenses are recorded as incurred.**

**OPERATION STAND DOWN NASHVILLE, INC.  
(A TENNESSEE CORPORATION – NOT FOR PROFIT)  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

**1) Summary of the auditor's results:**

- i) Type of independent auditor's report issued – unqualified.**
- ii) Reportable conditions in internal control – none noted in the course of the audit.**
- iii) Evidence of material noncompliance – none noted in the course of the audit.**
- iv) Reportable conditions in internal control over major programs – none.**
- v) Type of report issued on compliance for major programs – unqualified.**
- vi) Audit findings which are required to be reported under OMB Circular A-133, Sect. 510(a) – none.**

**vii) Type A programs identified:**

<b>CFDA#</b>	<b>Grantor Agency</b>	<b>Grant Number</b>
<b>97.024</b>	<b>Veterans Administration</b>	<b>01-004-TN</b>
<b>97.024</b>	<b>Veterans Administration</b>	<b>05-6-TN</b>
<b>97.024</b>	<b>Veterans Administration</b>	<b>01-004-SVC</b>
<b>17.804</b>	<b>Department of Labor</b>	<b>HV 19160-HVO</b>
<b>17.804</b>	<b>Department of Labor</b>	<b>HV 19160-HVO MOD1</b>
<b>17.804</b>	<b>Department of Labor</b>	<b>VW 20702-10-60-5-47</b>
<b>17.804</b>	<b>Department of Labor</b>	<b>VW 20702-10-60-5-47 MOD1</b>

**viii) Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.**

**ix) The auditee qualifies as a low-risk auditee under OMB Circular A-133, Sect. 530.**

**2) Findings relating to the financial statement, which are required to be reported under Generally Accepted Governmental Auditing Standards – none.**

- 3) **Findings and questioned costs for Federal awards including audit findings as defined under OMB Circular A-133, Sect. 510 – none.**