

**NASHVILLE YOUNG WOMEN'S  
CHRISTIAN ASSOCIATION**

**FINANCIAL STATEMENTS**

**June 30, 2015 and 2014**

# NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Nashville Young Women's Christian Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nashville Young Women's Christian Association as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal, state and other awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2015, on our consideration of Nashville Young Women's Christian Association'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nashville Young Women's Christian Association's internal control over financial reporting and compliance.

*Frasier, Don + Hand, PLLC*

Nashville, Tennessee  
November 24, 2015

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2015 and 2014**

|                                                        | <u>2015</u>                 | <u>2014</u>                 |
|--------------------------------------------------------|-----------------------------|-----------------------------|
| <b>ASSETS</b>                                          |                             |                             |
| Cash and cash equivalents                              | \$ 526,726                  | \$ 869,921                  |
| Pledges and other receivables, net                     | 99,328                      | 73,721                      |
| Grants receivable                                      | 110,380                     | 68,019                      |
| Prepaid expenses and other assets                      | 27,109                      | 1,195                       |
| Beneficial interest in charitable remainder trust, net | 23,227                      | 26,950                      |
| Investments                                            | 4,625,543                   | 4,706,162                   |
| Land, buildings and equipment, net                     | <u>4,609,771</u>            | <u>4,464,034</u>            |
| <b>Total assets</b>                                    | <u><u>\$ 10,022,084</u></u> | <u><u>\$ 10,210,002</u></u> |
| <b>LIABILITIES AND NET ASSETS</b>                      |                             |                             |
| <b>Liabilities:</b>                                    |                             |                             |
| Accounts payable                                       | \$ 30,647                   | \$ 30,286                   |
| Accrued expenses and withheld taxes                    | 191,476                     | 197,724                     |
| Deferred revenues                                      | 72,330                      | 106,500                     |
| Capital advance                                        | <u>256,472</u>              | <u>-</u>                    |
| <b>Total liabilities</b>                               | <u>550,925</u>              | <u>334,510</u>              |
| <b>Net assets:</b>                                     |                             |                             |
| <b>Unrestricted:</b>                                   |                             |                             |
| Undesignated                                           | 2,169,352                   | 2,757,076                   |
| Designated for land, buildings and equipment           | <u>4,609,771</u>            | <u>4,464,034</u>            |
| <b>Total unrestricted</b>                              | <u>6,779,123</u>            | <u>7,221,110</u>            |
| Temporarily restricted                                 | 917,397                     | 879,743                     |
| Permanently restricted                                 | <u>1,774,639</u>            | <u>1,774,639</u>            |
| <b>Total net assets</b>                                | <u>9,471,159</u>            | <u>9,875,492</u>            |
| <b>Total liabilities and net assets</b>                | <u><u>\$ 10,022,084</u></u> | <u><u>\$ 10,210,002</u></u> |

See accompanying notes to the financial statements.

## For the Years Ended June 30, 2015 and 2014

**See accompanying notes to the financial statements.**

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2015**

|                                                                  | Program Services                               |                   |                      |              | Supporting Services |             |              |                   |
|------------------------------------------------------------------|------------------------------------------------|-------------------|----------------------|--------------|---------------------|-------------|--------------|-------------------|
|                                                                  | Educational/<br>Family<br>Literacy<br>Services | Youth<br>Services | Domestic<br>Violence | Total        | Administrative      | Development | Total        | Total<br>Expenses |
| Salaries                                                         | \$ 257,909                                     | \$ 139,446        | \$ 936,060           | \$ 1,333,415 | \$ 700,732          | \$ 305,475  | \$ 1,006,207 | \$ 2,339,622      |
| Employee benefits and taxes                                      | 51,115                                         | 23,818            | 185,402              | 260,335      | 111,693             | 48,652      | 160,345      | 420,680           |
| Total salaries and related expenses                              | 309,024                                        | 163,264           | 1,121,462            | 1,593,750    | 812,425             | 354,127     | 1,166,552    | 2,760,302         |
| Professional fees and contracted services (in-kind of \$142,929) | 22,183                                         | 23,226            | 255,812              | 301,221      | 47,994              | 193,696     | 241,690      | 542,911           |
| Occupancy                                                        | 17,362                                         | 8,753             | 221,070              | 247,185      | 39,555              | 16,335      | 55,890       | 303,075           |
| Specific assistance - other                                      | 1,767                                          | 1,009             | 261,746              | 264,522      | 1,000               | -           | 1,000        | 265,522           |
| Conferences, conventions and meetings (in-kind of \$81,157)      | 716                                            | 973               | 7,262                | 8,951        | 16,278              | 220,029     | 236,307      | 245,258           |
| Miscellaneous                                                    | 7,898                                          | 8,757             | 38,699               | 55,354       | 25,649              | 29,029      | 54,678       | 110,032           |
| Supplies                                                         | 6,557                                          | 6,466             | 79,039               | 92,062       | 9,253               | 5,510       | 14,763       | 106,825           |
| Travel                                                           | 3,417                                          | 6,250             | 25,858               | 35,525       | 7,869               | 4,468       | 12,337       | 47,862            |
| Telephone and postage                                            | 3,031                                          | 2,505             | 18,892               | 24,428       | 9,578               | 12,126      | 21,704       | 46,132            |
| Insurance - general                                              | 4,445                                          | 2,198             | 21,970               | 28,613       | 6,228               | 4,030       | 10,258       | 38,871            |
| Bad debt expense                                                 | -                                              | -                 | -                    | -            | 152                 | 34,937      | 35,089       | 35,089            |
| Printing (in-kind of \$2,470)                                    | 1,476                                          | 383               | 9,956                | 11,815       | 1,073               | 21,319      | 22,392       | 34,207            |
| Rental and maintenance of equipment                              | 2,728                                          | 1,443             | 10,551               | 14,722       | 9,984               | 2,728       | 12,712       | 27,434            |
| Total expenses before depreciation                               | 380,604                                        | 225,227           | 2,072,317            | 2,678,148    | 987,038             | 898,334     | 1,885,372    | 4,563,520         |
| Depreciation                                                     | 26,379                                         | 13,839            | 120,873              | 161,091      | 38,921              | 25,946      | 64,867       | 225,958           |
| Total expenses                                                   | \$ 406,983                                     | \$ 239,066        | \$ 2,193,190         | \$ 2,839,239 | \$ 1,025,959        | \$ 924,280  | \$ 1,950,239 | \$ 4,789,478      |

See accompanying notes to the financial statements.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2014**

|                                                             | Program Services     |                   |                      |              | Supporting Services |             |              |                   |
|-------------------------------------------------------------|----------------------|-------------------|----------------------|--------------|---------------------|-------------|--------------|-------------------|
| Educational/<br>Family                                      | Literacy<br>Services | Youth<br>Services | Domestic<br>Violence | Total        | Administrative      | Development | Total        | Total<br>Expenses |
| Salaries                                                    | \$ 200,938           | \$ 128,857        | \$ 958,561           | \$ 1,288,356 | \$ 619,123          | \$ 229,513  | \$ 848,636   | \$ 2,136,992      |
| Employee benefits and taxes                                 | 34,539               | 22,095            | 177,050              | 233,684      | 92,776              | 29,797      | 122,573      | 356,257           |
| Total salaries and related expenses                         | 235,477              | 150,952           | 1,135,611            | 1,522,040    | 711,899             | 259,310     | 971,209      | 2,493,249         |
| Professional fees and contracted services                   |                      |                   |                      |              |                     |             |              |                   |
| (in-kind of \$205,333)                                      |                      |                   |                      |              |                     |             |              |                   |
| Occupancy                                                   | 27,409               | 22,238            | 228,483              | 278,130      | 81,399              | 274,151     | 355,550      | 633,680           |
| Specific assistance - other                                 | 15,392               | 6,412             | 176,094              | 197,898      | 39,136              | 13,914      | 53,050       | 250,948           |
| Conferences, conventions and meetings (in-kind of \$70,804) | 853                  | 1,206             | 235,534              | 237,593      | 1,000               | -           | 1,000        | 238,593           |
| Supplies                                                    | 135                  | 2,260             | 4,637                | 7,032        | 8,547               | 166,371     | 174,918      | 181,950           |
| Miscellaneous                                               | 14,226               | 8,530             | 63,395               | 86,151       | 6,944               | 10,200      | 17,144       | 103,295           |
| Rental and maintenance of equipment                         | 6,319                | -                 | 34,158               | 40,477       | 22,795              | 22,970      | 45,765       | 86,242            |
| Travel                                                      | 2,421                | 30,234            | 26,532               | 59,187       | 4,920               | 3,665       | 8,585        | 67,772            |
| Telephone and postage (in-kind of \$2,740)                  | 368                  | 9,462             | 29,021               | 38,851       | 5,184               | 4,315       | 9,499        | 48,350            |
| Insurance - general                                         | 2,620                | 2,048             | 23,177               | 27,845       | 10,280              | 7,388       | 17,668       | 45,513            |
| Printing (in-kind of \$5,000)                               | 3,721                | 1,718             | 18,450               | 23,889       | 7,706               | 4,021       | 11,727       | 35,616            |
| Bad debt expense                                            | 870                  | 556               | 4,409                | 5,835        | 1,402               | 19,564      | 20,966       | 26,801            |
|                                                             | -                    | -                 | -                    | -            | 8,652               | -           | 8,652        | 8,652             |
| Total expenses before depreciation                          | 309,811              | 235,616           | 1,979,501            | 2,524,928    | 909,864             | 785,869     | 1,695,733    | 4,220,661         |
| Depreciation                                                | 14,966               | 4,389             | 201,365              | 220,720      | 20,134              | 10,474      | 30,608       | 251,328           |
| Total expenses                                              | \$ 324,777           | \$ 240,005        | \$ 2,180,866         | \$ 2,745,648 | \$ 929,998          | \$ 796,343  | \$ 1,726,341 | \$ 4,471,989      |

See accompanying notes to the financial statements.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended June 30, 2015 and 2014**

|                                                                                     | <u>2015</u>       | <u>2014</u>       |
|-------------------------------------------------------------------------------------|-------------------|-------------------|
| Cash flows from operating activities:                                               |                   |                   |
| Change in net assets                                                                | \$ (404,333)      | \$ 364,699        |
| Adjustments to reconcile change in net assets to cash used in operating activities: |                   |                   |
| Depreciation                                                                        | 225,958           | 251,328           |
| Realized and unrealized (gain) loss on investments                                  | 164,856           | (435,149)         |
| Contributions restricted for long-term purposes                                     |                   | (716,901)         |
| Loss on disposal of asset                                                           |                   | 32,696            |
| (Increase) decrease in:                                                             |                   |                   |
| Pledges and other receivables                                                       | (25,607)          | (24,025)          |
| Grants receivable                                                                   | (42,361)          | 28,214            |
| Prepaid expenses and other assets                                                   | (25,914)          | 328               |
| Beneficial interest in charitable remainder trust                                   | 3,723             | 500               |
| Increase (decrease) in:                                                             |                   |                   |
| Accounts payable                                                                    | 361               | (49,981)          |
| Accrued expenses and withheld taxes                                                 | (6,248)           | 62,176            |
| Deferred revenues                                                                   | (34,170)          | 14,000            |
| Net cash used in operating activities                                               | <u>(143,735)</u>  | <u>(472,115)</u>  |
| Cash flows from investing activities:                                               |                   |                   |
| Proceeds from sale and maturation of investments                                    | 191,345           | 24,493            |
| Purchase of investments                                                             | (275,582)         | (306,427)         |
| Purchase of land, buildings and equipment                                           | (371,695)         | (30,047)          |
| Net cash used in investing activities                                               | <u>(455,932)</u>  | <u>(311,981)</u>  |
| Cash flows from financing activities:                                               |                   |                   |
| Proceeds from capital advance                                                       | 256,472           | -                 |
| Payments on notes payable                                                           | -                 | (950,000)         |
| Borrowings on line of credit                                                        | 50,000            | -                 |
| Payments on line of credit                                                          | (50,000)          | -                 |
| Cash contributions restricted for long-term purposes                                | -                 | 1,316,901         |
| Net cash provided by financing activities                                           | <u>256,472</u>    | <u>366,901</u>    |
| Decrease in cash and cash equivalents                                               | (343,195)         | (417,195)         |
| Cash and cash equivalents - beginning of year                                       | 869,921           | 1,287,116         |
| Cash and cash equivalents - end of year                                             | <u>\$ 526,726</u> | <u>\$ 869,921</u> |
| Supplemental disclosure of cash flow information:                                   |                   |                   |
| Interest paid                                                                       | <u>\$ 69</u>      | <u>\$ -</u>       |

See accompanying notes to the financial statements.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2015 and 2014**

**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 amount was \$21,600 in 2015 and \$20,650 in 2014, and is included in professional fees and contracted services.

**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 of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

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

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

*Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.

*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.

**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 statements 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.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions and Support (Continued)**

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 clothing donations for the YWCA's resale boutique and memorabilia donated for fundraisers are 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 services would otherwise need to be purchased by the YWCA, require specialized skills and are provided by persons with those skills. Such contributions are reported at estimated fair value.

**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 an interest rate applicable to the year in which the promise is received (not significant at June 30, 2015 and 2014). The YWCA uses the allowance method to determine uncollectible contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made:

Grants receivable are collectible from local, state, and federal government grantors and generally represent reimbursements for grant specific expenses.

**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.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Charitable Remainder Trust (Continued)**

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.

**Land, Buildings and Equipment**

Land, buildings and equipment are stated at cost. Equipment purchases less than \$5,000 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 sponsorships received prior to year end for special events to be held in the following fiscal year.

**Investments and Fair Value Measurements**

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 statements of activities.

The YWCA has an established process for determining fair value. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, fair value is based upon internally developed models or processes that use primarily market-based or independently-sourced market data and third party information. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Furthermore, while the YWCA believes its valuation methods 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. Generally accepted accounting principles have a three-level valuation hierarchy for fair value measurements. A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments and Fair Value Measurements (Continued)**

The three levels are explained as follows:

*Level 1* – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

*Level 2* – inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.

*Level 3* – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

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. 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 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 in money market accounts and mutual funds are valued at the net asset value of shares held by the YWCA at year end. Fair values for investments in exchange-traded funds are valued at the closing price reported on the active market on which the securities are traded. 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.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investments and Fair Value Measurements (Continued)**

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.

**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/Family Literacy Services** – Beginning in fiscal year 2014, the YWCA offers GED/HiSET Preparation Services at four Davidson County locations to help adults and children improve their literacy skills. The Family Literacy Center offers four components of a comprehensive literacy program: 1) Adult Education, 2) Children's Education, 3) Parent Time and 4) Parent and Child Time (PACT). Free classes are offered to adults to earn their high school equivalency diploma, and obtain the knowledge and skills necessary for employment and self-sufficiency. Free classes for Children's Education, Parent Time, and PACT are offered to promote the growth and development of pre-k children (ages 3-5).

**Youth Services** – This program uses a research-based curriculum that develops 5<sup>th</sup> and 6<sup>th</sup> grade girls' leadership skills, knowledge about safety issues, and abilities to resist stereotypes. The YWCA partners with the Girls, Inc. Agency for the program, "Girls, Inc.," at the YWCA.

**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. 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, 2015 and 2014**

**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 as well as the 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.

The YWCA follows 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.

As of June 30, 2015 and 2014, 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 years 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, 2012 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, 2015 and 2014**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Subsequent Events**

The YWCA has evaluated events and transactions that occurred between June 30, 2015 and November 24, 2015, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. Management is not aware of any significant events that occurred subsequent to the statement of financial position date but prior to the filing of this report that would have a material impact on 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 Company up to statutory limits. Management believes the YWCA is not exposed to any significant credit risk on its cash balances. Uninsured balances at June 30, 2015 and 2014 totaled \$179,273 and \$397,453, respectively.

**NOTE 4 – INVESTMENTS AND 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>2015</u>                                       | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u>   | <u>Total</u>        |
|---------------------------------------------------|---------------------|----------------|------------------|---------------------|
| Investments:                                      |                     |                |                  |                     |
| Money market accounts                             | \$ 20,617           | \$ -           | \$ -             | \$ 20,617           |
| Exchange-traded funds                             | 504,273             | -              | -                | 504,273             |
| Mutual Funds:                                     |                     |                |                  |                     |
| Fixed income funds                                | 1,923,547           | -              | -                | 1,923,547           |
| Large cap                                         | 812,303             | -              | -                | 812,303             |
| World stock                                       | 215,004             | -              | -                | 215,004             |
| Foreign large growth                              | 199,300             | -              | -                | 199,300             |
| Diversified emerging markets                      | 185,945             | -              | -                | 185,945             |
| Foreign large blend                               | 184,681             | -              | -                | 184,681             |
| Small blend                                       | 154,093             | -              | -                | 154,093             |
| Small growth                                      | 145,872             | -              | -                | 145,872             |
| Foreign small/mid growth                          | 145,168             | -              | -                | 145,168             |
| Moderate allocation                               | <u>134,740</u>      | <u>-</u>       | <u>-</u>         | <u>134,740</u>      |
| Total investments                                 | 4,625,543           | -              | -                | 4,625,543           |
| Beneficial interest in charitable remainder trust | <u>-</u>            | <u>-</u>       | <u>23,227</u>    | <u>23,227</u>       |
|                                                   | <u>\$ 4,625,543</u> | <u>\$ -</u>    | <u>\$ 23,227</u> | <u>\$ 4,648,770</u> |

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

| <u>2014</u>                       | <u>Level 1</u>      | <u>Level 2</u> | <u>Level 3</u>   | <u>Total</u>        |
|-----------------------------------|---------------------|----------------|------------------|---------------------|
| <b>Investments:</b>               |                     |                |                  |                     |
| Money market accounts             | \$ 27,383           | \$ -           | \$ -             | \$ 27,383           |
| Exchange-traded funds             | 258,129             | -              | -                | 258,129             |
| <b>Mutual Funds:</b>              |                     |                |                  |                     |
| Fixed income funds                | 1,999,226           | -              | -                | 1,999,226           |
| Large cap                         | 826,160             | -              | -                | 826,160             |
| Mid cap                           | 233,771             | -              | -                | 233,771             |
| World stock                       | 208,669             | -              | -                | 208,669             |
| Diversified emerging markets      | 195,050             | -              | -                | 195,050             |
| Foreign large growth              | 186,352             | -              | -                | 186,352             |
| Foreign large value               | 185,662             | -              | -                | 185,662             |
| Small blend                       | 173,226             | -              | -                | 173,226             |
| Small growth                      | 147,449             | -              | -                | 147,449             |
| Moderate allocation               | 137,065             | -              | -                | 137,065             |
| Foreign small/mid growth          | <u>128,020</u>      | <u>-</u>       | <u>-</u>         | <u>128,020</u>      |
| <b>Total investments</b>          | <b>4,706,162</b>    | <b>-</b>       | <b>-</b>         | <b>4,706,162</b>    |
| <b>Beneficial interest in</b>     |                     |                |                  |                     |
| <b>charitable remainder trust</b> | <u>-</u>            | <u>-</u>       | <u>26,950</u>    | <u>26,950</u>       |
|                                   | <u>\$ 4,706,162</u> | <u>\$ -</u>    | <u>\$ 26,950</u> | <u>\$ 4,733,112</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, 2014                       | \$ 26,950        |
| Change in fair value of beneficial interest | <u>(3,723)</u>   |
| Balance, June 30, 2015                      | <u>\$ 23,227</u> |

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

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

|                                                       | <u>2015</u>      | <u>2014</u>       |
|-------------------------------------------------------|------------------|-------------------|
| Interest and dividend income                          | \$ 235,698       | \$ 123,522        |
| Realized and unrealized gains (losses) on investments | <u>(164,856)</u> | <u>435,149</u>    |
| Total investment income                               | <u>\$ 70,842</u> | <u>\$ 558,671</u> |

Investment expenses of \$23,248 and \$21,373 were included in interest and dividend income for the years ended June 30, 2015 and 2014, respectively.

**NOTE 5 – LAND, BUILDINGS AND EQUIPMENT**

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

|                                | <u>2015</u>         | <u>2014</u>         |
|--------------------------------|---------------------|---------------------|
| Land                           | \$ 405,763          | \$ 405,763          |
| Buildings and improvements     | 7,009,368           | 6,640,555           |
| Construction in progress       | -                   | 2,500               |
| Office equipment               | 611,712             | 606,330             |
| Automobile                     | <u>54,865</u>       | <u>54,865</u>       |
|                                | 8,081,708           | 7,710,013           |
| Less: accumulated depreciation | <u>(3,471,937)</u>  | <u>(3,245,979)</u>  |
|                                | <u>\$ 4,609,771</u> | <u>\$ 4,464,034</u> |

**NOTE 6 – PLEDGES AND OTHER RECEIVABLES**

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

|                                       | <u>2015</u>      | <u>2014</u>      |
|---------------------------------------|------------------|------------------|
| Due within one year                   | \$ 117,653       | \$ 73,721        |
| Less: allowance for doubtful accounts | <u>(18,325)</u>  | <u>-</u>         |
| Total pledges and other receivables   | <u>\$ 99,328</u> | <u>\$ 73,721</u> |

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 7 – LINE OF CREDIT**

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 LIBOR plus 2%, not to be less than 2.5%. There was no balance on the line of credit at June 30, 2015 and 2014. The revolving line of credit agreement expires April 24, 2016.

**NOTE 8 – CAPITAL ADVANCE**

The YWCA received a capital advance from the Metropolitan Development and Housing Agency ("MDHA") in order to fund capital improvements to the Weaver Domestic Violence Center in the amount of \$256,472. The YWCA is not required to make repayments of this capital advance so long as the property remains a domestic violence shelter for five years. The capital advance bears no interest and is forgiven pro rata over the five year period. However, failure of the YWCA's to keep the facility available for domestic violence victims would result in MDHA's billing the YWCA for the capital advance balance outstanding.

**NOTE 9 – TEMPORARILY RESTRICTED NET ASSETS**

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

|                                                               | <u>2015</u>       | <u>2014</u>       |
|---------------------------------------------------------------|-------------------|-------------------|
| Beneficial interest in charitable remainder trust             | \$ 23,227         | \$ 26,950         |
| Scholarships                                                  | 128,623           | 125,682           |
| Pledges receivable                                            | 68,375            | 55,563            |
| Net gains on permanently restricted endowment since inception | <u>697,172</u>    | <u>671,548</u>    |
| Total temporarily restricted net assets                       | <u>\$ 917,397</u> | <u>\$ 879,743</u> |

**NOTE 10 – 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.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 10 – ENDOWMENT FUNDS (Continued)**

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 that allows for distribution up to 5% of the endowment fund, except as otherwise stipulated by donors, to fund annual operating needs. There were no distributions from the endowment for the years ended June 30, 2015 and 2014.

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 objective.

- 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 3%.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 10 – ENDOWMENT FUNDS (Continued)**

Asset allocations are targeted at 30% - 70% equities, 20% - 70% fixed income, 0% - 25% alternative investments, and estimated one month of operating expenses in 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:

|                                  |  | 2015                |                               |                               |
|----------------------------------|--|---------------------|-------------------------------|-------------------------------|
|                                  |  | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> |
|                                  |  |                     |                               | <u>Total</u>                  |
| Donor-restricted endowment funds |  | <u>\$ -</u>         | <u>\$ 697,172</u>             | <u>\$ 1,774,639</u>           |
|                                  |  |                     |                               | <u>\$ 2,471,811</u>           |
|                                  |  | 2014                |                               |                               |
|                                  |  | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> |
|                                  |  |                     |                               | <u>Total</u>                  |
| Donor-restricted endowment funds |  | <u>\$ -</u>         | <u>\$ 671,548</u>             | <u>\$ 1,774,639</u>           |
|                                  |  |                     |                               | <u>\$ 2,446,187</u>           |

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

|                                     |  | 2015                |                               |                               |
|-------------------------------------|--|---------------------|-------------------------------|-------------------------------|
|                                     |  | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> |
|                                     |  |                     |                               | <u>Total</u>                  |
| Endowment net assets, July 1, 2014  |  | \$ -                | \$ 671,548                    | \$ 1,774,639                  |
| Dividends and interest              |  | -                   | 85,335                        | -                             |
| Realized and unrealized loss, net   |  | -                   | (59,711)                      | -                             |
| Endowment net assets, June 30, 2015 |  | <u>\$ -</u>         | <u>\$ 697,172</u>             | <u>\$ 1,774,639</u>           |
|                                     |  |                     |                               | <u>\$ 2,471,811</u>           |
|                                     |  | 2014                |                               |                               |
|                                     |  | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Permanently Restricted</u> |
|                                     |  |                     |                               | <u>Total</u>                  |
| Endowment net assets, July 1, 2013  |  | \$ -                | \$ 474,804                    | \$ 1,774,639                  |
| Dividends and interest              |  | -                   | 42,642                        | -                             |
| Realized and unrealized gain, net   |  | -                   | 154,102                       | -                             |
| Endowment net assets, June 30, 2014 |  | <u>\$ -</u>         | <u>\$ 671,548</u>             | <u>\$ 1,774,639</u>           |
|                                     |  |                     |                               | <u>\$ 2,446,187</u>           |

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**June 30, 2015 and 2014**

**NOTE 11 – OPERATING LEASES**

During fiscal year 2014, the Organization entered into an operating lease for retail space. The lease requires a base rent and common area charge each month for five years, ending on January 31, 2019. The Organization also leases storage and office equipment with varying lease terms, none of which exceed five years. Future minimum lease payments under these leases are as follows for the years ending June 30:

|            |                   |
|------------|-------------------|
| 2016       | \$ 72,014         |
| 2017       | 62,272            |
| 2018       | 47,882            |
| 2019       | 29,190            |
| 2020       | 1,188             |
| Thereafter | <u>594</u>        |
|            | <u>\$ 213,140</u> |

Rent expense totaled \$59,090 and \$8,060 for the years ended June 30, 2015 and 2014, respectively.

**NOTE 12 – 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 the Fund. Payments are made by the YWCA to the Fund on behalf of eligible employees based on the employee's compensation.

Pension expense recognized by the YWCA was approximately \$28,000 and \$22,000 for the years ended June 30, 2015 and 2014, respectively.

**NOTE 13 – 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, 2015**

| Grant Description                                                                                                                                             | Federal CFDA Number | Grantor's Number | Grant Period     | (Accrued) Deferred Revenue |    | 7/1/14 - 6/30/15 |              | (Accrued) Deferred Revenue 6/30/15 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------|------------------|----------------------------|----|------------------|--------------|------------------------------------|
|                                                                                                                                                               |                     |                  |                  | 6/30/14                    |    | Receipts         | Expenditures |                                    |
| <b>U.S. Department of Housing and Urban Development</b>                                                                                                       |                     |                  |                  |                            |    |                  |              |                                    |
| Supportive Housing Program                                                                                                                                    | 14.235              | TN0212L4J041200  | 3/1/14-5/31/15   | \$ (3,167)                 | \$ | 39,122           | \$ 35,955    | \$                                 |
| Supportive Housing Program                                                                                                                                    | 14.235              | TN0114L4J041204  | 7/1/13-6/30/14   | (13,223)                   |    | 13,223           | -            | -                                  |
| Supportive Housing Program                                                                                                                                    | 14.235              | TN0114L4J041305  | 7/1/14-6/30/15   | -                          |    | 167,544          | 167,544      | -                                  |
| Total for CFDA No. 14.235                                                                                                                                     |                     |                  |                  | (16,390)                   |    | 219,889          | 203,499      | -                                  |
| <b>Passed through Metropolitan Development and Housing Agency</b>                                                                                             |                     |                  |                  |                            |    |                  |              |                                    |
| Community Development Block Grant                                                                                                                             | 14.218              | N/A              | 6/1/14-7/31/14   | (6,247)                    |    | 15,000           | 8,753        | -                                  |
| Community Development Block Grant                                                                                                                             | 14.218              | N/A              | 6/1/15-7/31/15   | -                          |    | -                | 5,590        | (5,590)                            |
| Community Development Block Grant                                                                                                                             | 14.218              | N/A              | 9/29/14-7/31/15  | -                          |    | 224,709          | 256,472      | (31,763)                           |
| Total for CFDA No. 14.218                                                                                                                                     |                     |                  |                  | (6,247)                    |    | 239,709          | 270,815      | (37,353)                           |
| Emergency Shelter Grant Program                                                                                                                               | 14.231              | N/A              | 4/1/14-3/31/15   | -                          |    | 53,728           | 56,078       | (2,350)                            |
| Total U.S. Department of Housing and Urban Development                                                                                                        |                     |                  |                  | (22,637)                   |    | 513,326          | 530,392      | (39,703)                           |
| <b>U.S. Department of Justice</b>                                                                                                                             |                     |                  |                  |                            |    |                  |              |                                    |
| Consolidated and Technical Assistance Grant Program to Address Children and Youth Experiencing Domestic and Sexual Violence and Engage Men and Boys as Allies | 16.888 +            | 2013-CY-AX-K001  | 8/1/13-7/31/16   | (21,376)                   |    | 340,283          | 347,564      | (28,657)                           |
| Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault                                                | 16.736              | 2012-WH-AX-0079  | 10/12/12-9/30/15 | (6,081)                    |    | 90,083           | 89,214       | (5,212)                            |
| <b>Passed through Tennessee Department of Finance and Administration, Office of Criminal Justice Programs</b>                                                 |                     |                  |                  |                            |    |                  |              |                                    |
| Victims of Crime Act (VOCA)                                                                                                                                   | 16.575              | 18815            | 7/1/12-6/30/15   | (3,757)                    |    | 109,969          | 106,212      | -                                  |
| Violence Against Women Formula Grants                                                                                                                         | 16.588-ARRA         | 19124            | 7/1/12-6/30/15   | (2,791)                    |    | 61,207           | 63,277       | (4,861)                            |
| Total U.S. Department of Justice                                                                                                                              |                     |                  |                  | (34,005)                   |    | 601,542          | 606,267      | (38,730)                           |
| <b>U.S. Department of Homeland Security</b>                                                                                                                   |                     |                  |                  |                            |    |                  |              |                                    |
| <b>Passed through United Way</b>                                                                                                                              |                     |                  |                  |                            |    |                  |              |                                    |
| Emergency Food and Shelter National Board Program                                                                                                             | 97.024              | N/A              | 9/1/14-10/31/15  | -                          |    | 18,229           | -            | (18,229)                           |
| Total U.S. Department of Homeland Security                                                                                                                    |                     |                  |                  | -                          |    | -                | 18,229       | (18,229)                           |

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS (CONTINUED)**  
**For the Year Ended June 30, 2015**

| Grant Description                                                                                             | Federal CFDA Number | Grantor's Number | Grant Period    | (Accrued) Deferred Revenue 6/30/14 | 7/1/14 - 6/30/15 |              | (Accrued) Deferred Revenue 6/30/15 |
|---------------------------------------------------------------------------------------------------------------|---------------------|------------------|-----------------|------------------------------------|------------------|--------------|------------------------------------|
|                                                                                                               |                     |                  |                 |                                    | Receipts         | Expenditures |                                    |
| <b>U.S. Department of Health and Human Services</b>                                                           |                     |                  |                 |                                    |                  |              |                                    |
| <b>Passed Through Tennessee Department of Human Services</b>                                                  |                     |                  |                 |                                    |                  |              |                                    |
| Child and Adult Care Food Program                                                                             | 10.558              | 03-47-20007-003  | 10/1/13-9/30/14 | (5,335)                            | 5,335            | -            | -                                  |
| Child and Adult Care Food Program                                                                             | 10.558              | 03-47-20007-003  | 10/1/14-9/30/15 | -                                  | 58,527           | 63,851       | (5,324)                            |
| Total for CFDA No. 10.558                                                                                     |                     |                  |                 | (5,335)                            | 63,862           | 63,851       | (5,324)                            |
| <b>Passed through Tennessee Department of Finance and Administration, Office of Criminal Justice Programs</b> |                     |                  |                 |                                    |                  |              |                                    |
| Family Violence Prevention and Services                                                                       | 93.671              | 14913            | 7/1/11-6/30/14  | (3,931)                            | 3,931            | -            | -                                  |
| Family Violence Prevention and Services                                                                       | 93.671              | 24820            | 7/1/14-6/30/15  | -                                  | 122,538          | 129,182      | (6,644)                            |
| Total for CFDA No. 93.671                                                                                     |                     |                  |                 | (3,931)                            | 126,469          | 129,182      | (6,644)                            |
| <b>Total U.S. Department of Health and Human Services</b>                                                     |                     |                  |                 | (9,266)                            | 190,331          | 193,033      | (11,968)                           |
| Total expenditures of federal awards                                                                          |                     |                  |                 | (65,908)                           | 1,305,199        | 1,347,921    | (108,630)                          |
| <b>Expenditures of State and Other Awards</b>                                                                 |                     |                  |                 |                                    |                  |              |                                    |
| Metro Government of Nashville and Davidson County                                                             | N/A                 | L-3275           | 7/1/14-6/30/15  | -                                  | 278,500          | 278,500      | -                                  |
| Metro Government of Nashville and Davidson County                                                             | N/A                 | L-3313           | 7/1/14-6/30/15  | -                                  | 100,000          | 100,000      | -                                  |
| Family Violence Prevention and Services                                                                       | N/A                 | 14913            | 7/1/11-6/30/14  | (2,111)                            | 2,111            | -            | -                                  |
| Metro Arts Commission                                                                                         | N/A                 | L-3067           | 7/1/14-6/1/15   | -                                  | 3,204            | 3,204        | -                                  |
| N.A.Z.A. (Nashville Afterschool Zone Alliance - Mayor's Office Initiative)                                    | N/A                 | 72161            | 7/1/14-6/30/15  | -                                  | 62,500           | 64,250       | (1,750)                            |
| Total expenditures of state and other awards                                                                  |                     |                  |                 | (2,111)                            | 446,315          | 445,954      | (1,750)                            |
| Total expenditures of federal, state and other awards                                                         |                     |                  |                 | \$ (68,019)                        | \$ 1,751,514     | \$ 1,793,875 | \$ (110,380)                       |
| + Denotes a major program                                                                                     |                     |                  |                 |                                    |                  |              |                                    |

**BASIS OF PRESENTATION**

This schedule includes the federal and state grant activity of the YWCA, 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*.



**INDEPENDENT AUDITOR'S 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, 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, the financial statements of Nashville Young Women's Christian Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and issued our report thereon dated November 24, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Nashville Young Women's Christian Association's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nashville Young Women's Christian Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Nashville Young Women's Christian Association's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Nashville Young Women's Christian Association'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*.

### **Purpose of this Report**

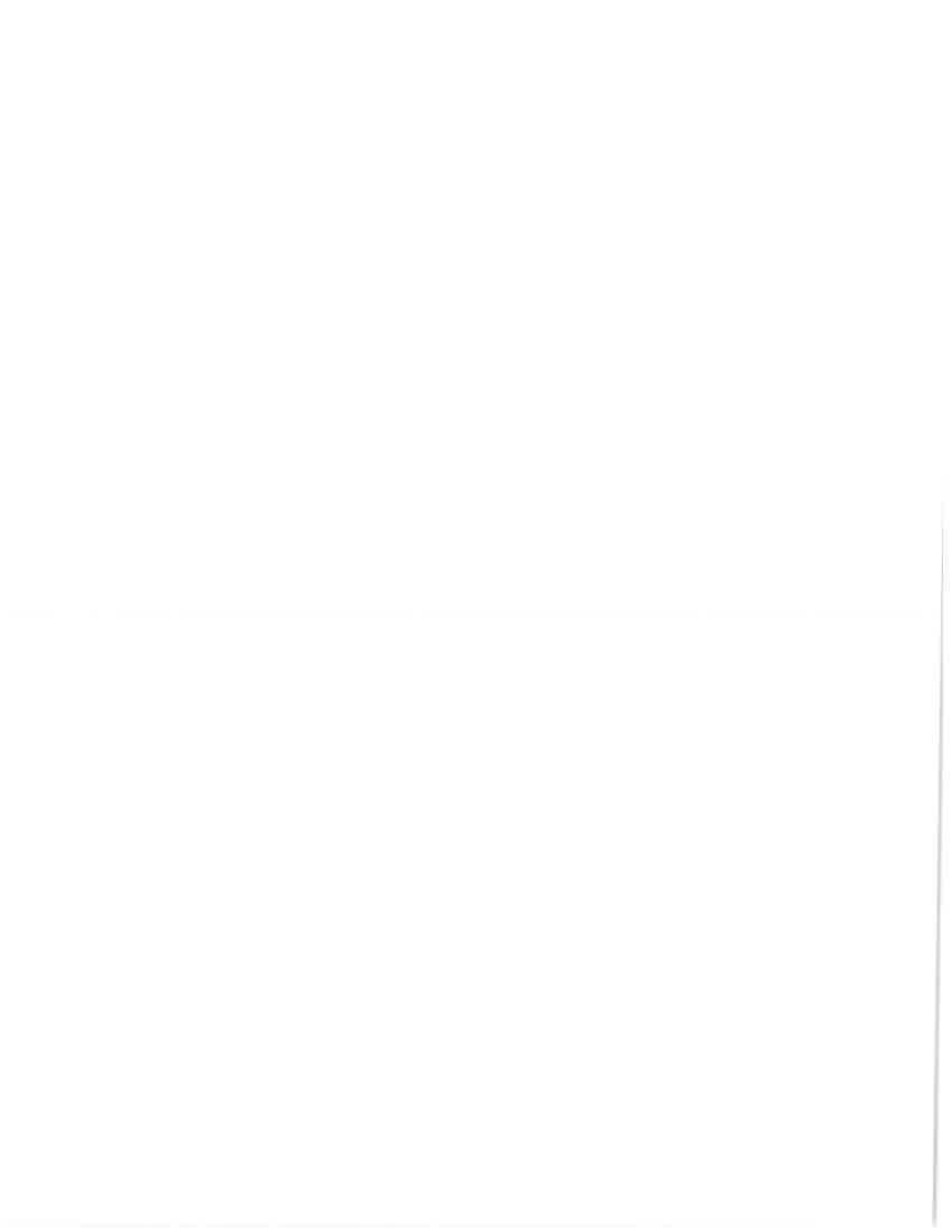
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Fraser, Dean & Howard, PLLC*

**FRASIER, DEAN & HOWARD, PLLC**

Nashville, Tennessee

November 24, 2015



### ***Opinion on Each Major Federal Program***

In our opinion, Nashville Young Women's Christian Association complied, in all material respects, with the compliance 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, 2015.

### **Report on Internal Control Over Compliance**

Management of Nashville Young Women's Christian Association is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Nashville Young Women's Christian Association's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 Nashville Young Women's Christian Association's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance 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 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Fraser, Dean & Howard, PLLC*

**FRASIER, DEAN & HOWARD, PLLC**

Nashville, Tennessee

November 24, 2015

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2015**

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of YWCA.
2. No significant deficiencies were disclosed during the audit of the financial statements and reported in the Independent Auditor's 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*.
3. No instances of noncompliance material to the financial statements of YWCA, which would be required to be reported in accordance with *Government Auditing Standards* generally accepted in the United State of America, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were disclosed during the audit and reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for YWCA expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs include:

**CFDA Number**

16.888

**Name of Federal Program or Cluster**

Consolidated and Technical Assistance Grant  
Program to Address Children and Youth  
Experiencing Domestic and Sexual Violence  
and Engage Men and Boys as Allies

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. YWCA was determined to be a low-risk auditee.

**NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2015**

NONE