

NASHVILLE YOUNG WOMEN'S  
CHRISTIAN ASSOCIATION

FINANCIAL STATEMENTS,  
ADDITIONAL INFORMATION  
AND

REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 2007 AND 2006

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION  
FINANCIAL STATEMENTS, ADDITIONAL INFORMATION  
AND  
REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
  
JUNE 30, 2007 AND 2006

TABLE OF CONTENTS

	<u>PAGE</u>
<u>REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS</u> .....	1
 <u>FINANCIAL STATEMENTS</u>	
Statements of Financial Position .....	2
Statements of Activities .....	3
Statements of Functional Expenses .....	4 - 5
Statements of Cash Flows.....	6
Notes to Financial Statements .....	7 - 15
 <u>ADDITIONAL INFORMATION</u>	
Schedule of Expenditures of Federal, State and Other Awards .....	16 - 17
 <u>OTHER REPORTS</u>	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	18 - 19
Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	20 - 21
Schedule of Findings and Questioned Costs.....	22 - 24



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

We have audited the accompanying statements of financial position of the Nashville Young Women's Christian Association (the "YWCA") as of June 30, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the YWCA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Nashville Young Women's Christian Association as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2007, on our consideration of the YWCA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audits.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal, state and other awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*KraftCPAs PLLC*

Nashville, Tennessee  
November 7, 2007

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 150,143	\$ 177,251
Pledges and other receivables, net of allowance for doubtful accounts of \$1,128 in 2007 and \$7,530 in 2006 - Note 5	91,181	93,383
Grants receivable	102,973	123,662
Accounts receivable and prepaids	36,926	36,594
Beneficial interest in charitable remainder trust, net	41,430	34,838
Investments - Note 3	3,263,602	3,073,115
Debt issue costs	28,314	31,645
Land, buildings and equipment, net - Notes 4 and 6	<u>3,388,731</u>	<u>3,544,682</u>
TOTAL ASSETS	<u>\$ 7,103,300</u>	<u>\$ 7,115,170</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 19,474	\$ 6,038
Accrued expenses and withheld taxes	84,563	121,104
Grants payable to subrecipients	5,846	13,196
Deferred revenues	37,500	13,647
Note payable - Note 6	<u>1,194,238</u>	<u>1,304,561</u>
TOTAL LIABILITIES	<u>1,341,621</u>	<u>1,458,546</u>
<u>NET ASSETS</u>		
Unrestricted:		
Undesignated	586,016	452,662
Board designated	1,020,742	964,934
Designated for property and equipment, net of related debt	<u>2,222,807</u>	<u>2,271,766</u>
Total unrestricted	3,829,565	3,689,362
Temporarily restricted - Note 7	137,378	192,668
Permanently restricted - Note 7	<u>1,794,736</u>	<u>1,774,594</u>
TOTAL NET ASSETS	<u>5,761,679</u>	<u>5,656,624</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,103,300</u>	<u>\$ 7,115,170</u>

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	2007				2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals
REVENUES AND SUPPORT								
Contributions	\$ 930,123	\$ 22,500	\$ 20,142	\$ 972,765	\$ 972,188	\$ 116,583	\$ 1,307	\$ 1,090,078
United Way contributions	309,507	-	-	309,507	280,306	-	-	280,306
Grants from federal, state and local agencies	1,482,029	-	-	1,482,029	1,427,888	-	-	1,427,888
Program service fees	6,030	-	-	6,030	7,388	-	-	7,388
Rental income	26,862	-	-	26,862	27,865	-	-	27,865
Other income	179,912	-	-	179,912	163,183	-	-	163,183
Investment income, net	330,294	18,493	-	348,787	188,428	7,822	-	196,250
Net assets released from restrictions	96,283	(96,283)	-	-	501,785	(501,785)	-	-
TOTAL REVENUES AND SUPPORT	3,361,040	(55,290)	20,142	3,325,892	3,569,031	(377,380)	1,307	3,192,958
PROGRAM SERVICES								
Employment training	753,613	-	-	753,613	767,786	-	-	767,786
Youth services	68,810	-	-	68,810	95,639	-	-	95,639
Domestic violence	1,519,172	-	-	1,519,172	1,600,017	-	-	1,600,017
TOTAL PROGRAM SERVICES	2,341,595	-	-	2,341,595	2,463,442	-	-	2,463,442
SUPPORTING SERVICES								
Administrative	437,377	-	-	437,377	464,281	-	-	464,281
Development	441,865	-	-	441,865	341,979	-	-	341,979
TOTAL SUPPORTING SERVICES	879,242	-	-	879,242	806,260	-	-	806,260
TOTAL EXPENSES	3,220,837	-	-	3,220,837	3,269,702	-	-	3,269,702
CHANGE IN NET ASSETS	140,203	(55,290)	20,142	105,055	299,329	(377,380)	1,307	(76,744)
NET ASSETS - BEGINNING OF YEAR	3,689,362	192,668	1,774,594	5,656,624	3,390,033	570,048	1,773,287	5,733,368
NET ASSETS - END OF YEAR	\$ 3,829,565	\$ 137,378	\$ 1,794,736	\$ 5,761,679	\$ 3,689,362	\$ 192,668	\$ 1,774,594	\$ 5,656,624

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2007

	Program Services					Totals	
	Employment Training	Youth Services	Domestic Violence	Total	Administration		
Salaries	\$ 493,346	\$ 51,841	\$ 877,895	\$ 1,423,082	\$ 186,013	\$ 114,915	\$ 1,724,010
Employee benefits and taxes	88,899	6,027	167,229	262,155	46,907	14,135	323,197
TOTAL SALARIES AND RELATED EXPENSES	582,245	57,868	1,045,124	1,685,237	232,920	129,050	2,047,207
Professional fees and contracted services							
Supplies	8,914	1,284	41,588	51,786	13,114	160,329	225,229
Telephone and postage	12,995	1,197	26,263	40,455	10,292	12,639	63,386
Occupancy	16,756	1,168	24,297	42,221	11,082	7,742	61,045
Rental and maintenance of equipment	32,702	2,377	93,573	128,652	48,341	8,470	185,463
Printing	19,796	1,995	29,839	51,630	22,567	4,460	78,657
Travel	88	-	5,166	5,254	6,126	19,912	31,292
Conferences, conventions and meetings	3,741	532	15,732	20,005	3,347	228	23,580
Specific assistance - other	2,311	33	7,350	9,694	177	74,791	84,662
Insurance - general	2,728	-	21,011	23,739	3,172	-	26,911
Interest	9,634	1,070	20,708	31,412	8,868	5,256	45,536
Bad debt	-	-	65,107	65,107	-	-	65,107
Miscellaneous	-	-	-	-	24	-	24
Grant expenses - Subrecipient	5,435	736	12,288	18,459	12,707	8,877	40,043
	54,033	-	2,303	56,336	-	-	56,336
TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	751,378	68,260	1,410,349	2,229,987	372,737	431,754	3,034,478
Depreciation and amortization	2,235	550	108,823	111,608	64,640	10,111	186,359
TOTAL EXPENSES	\$ 753,613	\$ 68,810	\$ 1,519,172	\$ 2,341,595	\$ 437,377	\$ 441,865	\$ 3,220,837

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2006

	Program Services				Administration	Development	Totals
	Employment Training	Youth Services	Domestic Violence	Total			
Salaries	\$ 453,166	\$ 60,263	\$ 894,713	\$ 1,408,142	\$ 173,442	\$ 113,019	\$ 1,694,603
Employee benefits and taxes	91,576	12,919	175,003	279,498	34,879	16,979	331,356
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>544,742</b>	<b>73,182</b>	<b>1,069,716</b>	<b>1,687,640</b>	<b>208,321</b>	<b>129,998</b>	<b>2,025,959</b>
Professional fees and contracted services							
Supplies	27,234	4,217	51,017	82,468	21,311	44,017	147,796
Telephone and postage	33,420	1,980	22,232	57,632	7,920	5,194	70,746
Occupancy	15,448	1,385	20,894	37,727	10,292	6,688	54,707
Rental and maintenance of equipment	44,044	6,877	99,345	150,266	31,581	15,040	196,887
Printing	13,748	2,003	29,010	44,761	21,089	41,832	107,682
Travel	290	326	3,145	3,761	1,452	24,376	29,589
Conferences, conventions and meetings	3,993	792	12,438	17,223	3,069	211	20,503
Specific assistance - other	7,579	325	9,219	17,123	41,974	18,715	77,812
Insurance - general	3,757	31	23,271	27,059	10,878	-	37,937
Interest	11,925	3,363	18,083	33,371	6,707	5,579	45,657
Bad debt	-	-	73,386	73,386	-	-	73,386
Miscellaneous	-	-	-	-	-	39,389	39,389
Grant expenses - Subrecipient	2,306	453	34,483	37,242	22,059	4,412	63,713
	54,138	-	6,203	60,341	-	-	60,341
<b>TOTAL EXPENSES BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>762,624</b>	<b>94,934</b>	<b>1,472,442</b>	<b>2,330,000</b>	<b>386,653</b>	<b>335,451</b>	<b>3,052,104</b>
Depreciation and amortization	5,162	705	127,575	133,442	77,628	6,528	217,598
<b>TOTAL EXPENSES</b>	<b>\$ 767,786</b>	<b>\$ 95,639</b>	<b>\$ 1,600,017</b>	<b>\$ 2,463,442</b>	<b>\$ 464,281</b>	<b>\$ 341,979</b>	<b>\$ 3,269,702</b>

See accompanying notes to financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 105,055	\$ (76,744)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	183,028	197,633
Amortization of debt issue costs	3,331	19,965
Bad debt	24	39,389
Unrealized gain on investments	(233,863)	(181,403)
(Increase) decrease in:		
Pledges and other receivables	2,178	49,607
Grants receivable	20,689	14,066
Accounts receivable and prepaids	(332)	(529)
Beneficial interest in charitable remainder trust	(6,592)	(34,838)
Increase (decrease) in:		
Accounts payable	13,436	5,385
Accrued expenses and withheld taxes	(36,541)	7,662
Grants payable to subrecipients	(7,350)	(3,688)
Deferred revenues	23,853	6,000
Contributions received for permanent endowment	<u>(20,142)</u>	<u>(1,307)</u>
TOTAL ADJUSTMENTS	<u>(58,281)</u>	<u>117,942</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>46,774</u>	<u>41,198</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale and maturation of investments	825,174	2,342,483
Purchase of investments	(781,798)	(1,561,932)
Purchase of land, buildings and equipment	<u>(27,077)</u>	<u>(24,524)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>16,299</u>	<u>756,027</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions received for permanent endowment	20,142	1,307
Payment of long-term debt	(110,323)	(2,453,754)
Proceeds from issuance of note payable	-	1,366,327
Payment of debt issue costs	<u>-</u>	<u>(33,310)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(90,181)</u>	<u>(1,119,430)</u>
DECREASE IN CASH	(27,108)	(322,205)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>177,251</u>	<u>499,456</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 150,143</u>	<u>\$ 177,251</u>
INTEREST EXPENSE PAID	<u>\$ 65,107</u>	<u>\$ 78,411</u>

See accompanying notes to financial statements.



NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

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 National Organization based on expenses and other factors. The assessment amounted to \$16,820 in 2007 (\$20,548 in 2006), and is included in professional fees. The YWCA has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The YWCA follows the accounting and reporting standards established by the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the YWCA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted, as follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

The Board has designated a portion of unrestricted net assets generally derived from support received from unrestricted legacies. Such designations can be modified at the discretion of future Boards.

Temporarily restricted - Net assets subject to donor-imposed restrictions that can be fulfilled by certain actions or by the passage of time. Upon fulfillment of restricted purposes, temporarily restricted net assets are released to unrestricted.

Permanently restricted - Net assets subject to donor-imposed restrictions that are maintained permanently by the YWCA.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support

Contributions are recognized as revenues in the period unconditionally pledged. The YWCA reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period as received are reported as unrestricted support. Donor pledges which are expected to be collected over a period greater than one year are discounted at current interest rates, if material.

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

Noncash gifts consisting principally of memorabilia donated for fundraisers are not valued when received, but recorded at the realized sales amount in other income in the period of sale.

Contributed services are reported as contribution revenue and as assets or expense when the services would otherwise need to be purchased by the organization, require specialized skills and are provided by persons with those skills. Such contributions are reported at estimated fair value. Public relations and development services contributed to the YWCA amounted to approximately \$113,000 in 2007 (\$27,000 in 2006) and have been recorded in contributions and professional fees and contracted services.

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 are reported net of an allowance for doubtful accounts and are, otherwise, expected to be fully collected. Grants receivable are collectable from local, state, and federal government grantors and generally represent reimbursements for grant specific expenses incurred.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charitable Remainder Trust

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

Investments

Investments in money market accounts and equity securities with readily determinable fair values and all investments in debt securities are reported at fair value, with unrealized gains and losses recognized currently in the statement of activities.

Debt Issue Costs

Debt issue costs are capitalized and amortized by the straight-line method over the term of the related debt. In the event the related debt is paid off in advance, any unamortized issue costs will be expensed in the year the debt is extinguished.

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost. Equipment purchases less than \$2,000 are generally expensed. Depreciation is calculated using the straight-line method to allocate the cost of depreciable assets over their estimated useful lives. The general range of useful lives is fifteen to forty years for buildings and improvements and three to seven years for equipment and vehicles. The YWCA assesses impairment of long-lived assets in accordance with SFAS No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of*. Donated property is recorded as a contribution equal to the estimated fair value of the asset on the date contributed.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenues

Deferred revenues consist of program service fees received prior to year end to pay for program services deliverable in the following fiscal year. Such revenues are recognized in the year earned.

Rental Income

A portion of the facility is leased out from time to time on a short term basis. The minimum future rental commitment under such leases was not significant as of June 30, 2007.

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

Employment Training - Workforce development program that identifies and addresses the needs of individuals who are working toward self-reliance. For women transitioning from public assistance or incarceration, this program provides career assessment/planning and work preparation classes including life skills development. The program also includes adult education classes with GED preparation, referral to job skills training, apprenticeships and post-secondary education. Each job placement is followed up with support to help individuals retain and advance in the job. The program gives special attention to career options that are considered "non-traditional" (occupations where women make up less than 25% of the workforce).

Youth Services - Youth Advantage helps prepare young people for independence, through job preparation workshops and job placement.

Domestic Violence - The Domestic Violence Intervention Center provides a 24-hour crisis line, a comprehensive emergency shelter program, children's therapeutic programming, an on-site clinic, legal advocacy, individualized case management, support groups in the community and in shelter, and outreach and community education. Over the past two years, the YWCA has helped thousands of individuals in times of crisis by sheltering them and guiding them through the civil legal process. The YWCA also increases domestic violence awareness in the community.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, and fundraising. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration Risks

The YWCA maintains its cash accounts in one commercial bank. The amount on deposit at June 30, 2007, exceeded the insurance limits of the Federal Deposit Insurance Corporation by approximately \$156,000.

Investments are subject to market risk, the risk inherent in a fluctuating market. The broker/dealer that is the custodian of the YWCA's securities is covered by the Securities Investor Protection Corporation (SIPC), which provides limited protection to investors. SIPC coverage is limited to specified investor-owned securities (notes, bonds, mutual funds, investment company securities and registered securities) held by an insolvent SIPC member at the time a supervising trustee is appointed. The SIPC also protects against unauthorized trading in a security account. SIPC coverage is limited to \$500,000 per customer, including \$100,000 for cash that is on deposit as the result of a security transaction. The amount on deposit at June 30, 2007, exceeded the insurance limits of the SIPC by approximately \$921,000. The SIPC does not cover market risk.

Reclassifications

Certain prior year amounts for cash and investments have been reclassified to be comparative with the current year presentation.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board (FASB) issued Financial Interpretation (FIN) No. 48, *Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109*, which is effective for fiscal years beginning after December 15, 2006. FIN 48 provides guidance regarding the recognition, measurement, presentation and disclosure in the financial statements of tax positions taken or expected to be taken on a tax return, including the decision whether to file in a particular jurisdiction. FIN 48 applies to not-for-profit entities to the extent they may be subject to unrelated business income taxes. The cumulative effect of changes arising from the initial application of FIN 48 is required to be reported as an adjustment to the opening balance of retained earnings in the period of adoption. The YWCA is currently evaluating the impact, if any, of the adoption of FIN 48 on the financial statements.

NOTE 3 - INVESTMENTS

Investments are summarized as follows as of June 30:

	2007		2006	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Money market accounts	\$ 1,021,116	\$ 1,021,116	\$ 835,358	\$ 835,358
Certificates of deposit	370,000	370,000	730,000	730,000
Common stock	663,282	522,116	468,579	431,439
Mutual funds	<u>1,209,204</u>	<u>824,931</u>	<u>1,039,178</u>	<u>784,742</u>
	<u>\$ 3,263,602</u>	<u>\$ 2,738,163</u>	<u>\$ 3,073,115</u>	<u>\$ 2,781,539</u>

Investment expenses, netted against investment revenues, amounted to \$9,473 for the year ended June 30, 2007 (\$6,230 for the year ended June 30, 2006).

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 4 - LAND, BUILDINGS AND EQUIPMENT

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

	<u>2007</u>	<u>2006</u>
Land	\$ 405,763	\$ 405,763
Buidings and improvements	4,635,908	4,607,338
Office equipment	716,225	710,415
Program equipment	36,598	36,598
Automobile	30,606	30,606
Construction in process	<u>7,092</u>	<u>14,395</u>
	5,832,192	5,805,115
Less: accumulated depreciation	<u>(2,443,461)</u>	<u>(2,260,433)</u>
	<u>\$ 3,388,731</u>	<u>\$ 3,544,682</u>

NOTE 5 - PLEDGES AND OTHER RECEIVABLES

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

	<u>2007</u>	<u>2006</u>
Due within one year	\$ 63,994	\$ 50,880
Due within two to five years	<u>28,315</u>	<u>50,033</u>
	92,309	100,913
Less: allowance for doubtful accounts	<u>(1,128)</u>	<u>(7,530)</u>
	<u>\$ 91,181</u>	<u>\$ 93,383</u>

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 6 - LONG-TERM DEBT

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

	<u>2007</u>	<u>2006</u>
Note payable to Regions Equipment Financial Corporation - payable in monthly principal and interest installments of \$14,619. Interest is charged at a fixed rate of 5.19%. All unpaid principal and interest are due December 6, 2015.	\$ 1,194,238	\$ 1,304,561

In December 2005, the YWCA entered into a loan agreement with Regions Equipment Financial Corporation ("Regions"), evidenced by a note payable in the amount of \$1,366,327. The note is secured by a negative pledge on the Domestic Violence Intervention Center. The agreement includes certain covenants requiring, among other things, that the YWCA maintain a specified debt service coverage ratio and a minimum unrestricted investment balance. The YWCA was in violation of the debt service coverage ratio covenant as of June 30, 2007 and 2006; however, Regions has issued a waiver of this requirement through June 30, 2008.

Scheduled principal maturities of long-term debt, by year, are as follows as of June 30, 2007:

Year ending June 30,

2008	\$ 106,274
2009	121,837
2010	128,313
2011	135,133
2012	142,315
Thereafter	<u>560,366</u>
	<u>\$ 1,194,238</u>

The YWCA also has an unsecured, \$250,000 revolving line of credit agreement with a bank, with interest on outstanding borrowings charged at a fluctuating rate equal to the prime rate. There were no borrowings made under this agreement during fiscal years 2007 or 2006.



NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2007 AND 2006

NOTE 7 - RESTRICTED NET ASSETS

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

	<u>2007</u>	<u>2006</u>
Scholarship fund	\$ 53,778	\$ 43,489
Beneficial interest in charitable remainder trust, net	41,430	34,838
Domestic Violence program	11,846	99,492
Education program	26,324	7,375
Youth Advantage program	4,000	4,000
Other	<u>-</u>	<u>3,474</u>
Total temporarily restricted net assets	<u>\$ 137,378</u>	<u>\$ 192,668</u>

Permanently restricted net assets at June 30, 2007 and 2006 consist entirely of endowment funds. Income from endowment funds is unrestricted.

NOTE 8 - 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 has no association with the administration of this Fund. Payments are made by the YWCA to the Fund on behalf of eligible employees based on the employees' compensation.

Pension expense recognized by the YWCA was approximately \$31,000 and \$32,000 for the years ended June 30, 2007 and 2006, respectively.

NOTE 9 - 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, 2007

GRANT DESCRIPTION	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED) DEFERRED REVENUE 6/30/06	(ACCRUED) DEFERRED REVENUE 6/30/07	
						7/1/06 - 6/30/07 RECEIPTS	7/1/06 - 6/30/07 EXPENDITURES
<u>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>							
PASSED THROUGH METROPOLITAN DEVELOPMENT AND HOUSING AGENCY							
Emergency Shelter Grant Program	14.231	S01MC47004	4/1/06 - 3/31/07	\$ 12,579	\$ -	\$ 12,264	\$ 12,579
							\$ (315)
<u>US DEPARTMENT OF JUSTICE</u>							
PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS:							
Victims of Crime Act (VOCA)	16.575	Z-00-004845-02	7/1/03 - 6/30/06	309,354	(6,153)	6,153	-
Victims of Crime Act (VOCA)	16.575	Z-07-033156-00	7/1/06 - 6/30/09	318,636	-	100,049	(6,166)
STOP Violence Against Women	16.588	Z-00-001413-01	7/1/03 - 6/30/06	199,286	(3,211)	3,211	-
STOP Violence Against Women	16.588	Z-07-033022-00	7/1/06 - 6/30/09	189,831	-	63,277	-
OVW- Transitional Housing	16.736	GR-06-17615-00	9/1/05 - 8/31/08	165,516	(7,189)	48,948	(5,419)
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS					(16,553)	221,638	(11,585)
<u>PASSED THROUGH TENNESSEE COALITION AGAINST DOMESTIC &amp; SEXUAL VIOLENCE</u>							
Legal Assistance for Victims Grant Program	16.524	2004WLAX0024	1/1/05 - 12/31/06	60,000	(847)	847	-
Legal Assistance for Victims Grant Program	16.524	2004WLAX0024	1/1/07 - 12/31/08	60,000	-	35,267	(978)
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS					(847)	36,114	(978)
TOTAL US DEPARTMENT OF JUSTICE					(17,400)	257,752	(12,563)
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS:							
Family Violence Shelter Programs	93.671	Z-05-021966-00	7/1/04 - 6/30/07	391,932	(4,248)	4,248	-
Family Violence Shelter Programs	93.671	Z-05-021966-00	7/1/05 - 6/30/07	391,932	-	130,535	(64)
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF FINANCE AND ADMINISTRATION, OFFICE OF CRIMINAL JUSTICE PROGRAMS					(4,248)	134,783	(64)

(continued on next page)

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2007

GRANT DESCRIPTION	FEDERAL CFDA NUMBER	GRANTOR'S NUMBER	GRANT PERIOD	GRANT AMOUNT	(ACCRUED)	7/1/06 - 6/30/07		(ACCRUED)
					DEFERRED REVENUE 6/30/06	RECEIPTS	EXPENDITURES	DEFERRED REVENUE 6/30/07
PASSED THROUGH TENNESSEE DEPARTMENT OF HUMAN SERVICES								
Families First - Client Services	93.558	(1) GR-05-16260-00	7/1/04 - 6/30/06	\$ 1,877,923	\$ (31,852)	\$ 31,852	\$ -	\$ -
Families First - Client Services	93.558	(1) GR-07-18102-00	7/1/06 - 6/30/07	317,600	-	273,362	317,600	(44,238)
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF HUMAN SERVICES					(31,852)	305,214	317,600	(44,238)
PASSED THROUGH TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT								
Families First - Adult Education	93.558	(1) Z-05-027238-00	7/1/05 - 6/30/06	173,880	(37,193)	37,193	-	-
Families First - Adult Education	93.558	(1) Z-07-034276-00	7/1/06 - 6/30/07	162,554	-	152,091	162,466	(10,375)
TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT					(37,193)	189,284	162,466	(10,375)
TOTAL US DEPARTMENT OF HEALTH AND HUMAN SERVICES					(73,293)	629,281	610,665	(54,677)
US DEPARTMENT OF HOMELAND SECURITY								
PASSED THROUGH THE EMERGENCY FOOD AND SHELTER NATIONAL BOARD PROGRAM:								
Emergency Food and Shelter National Board Program	97.024	LROID-765200-008	11/1/05 - 10/31/06	16,092	(8,046)	8,046	-	-
Emergency Food and Shelter National Board Program	97.024	LROID-765200-008	11/1/06 - 10/31/07	16,903	-	8,452	16,903	(8,451)
TOTAL US DEPARTMENT OF HOMELAND SECURITY					(8,046)	16,498	16,903	(8,451)
TOTAL EXPENDITURES OF FEDERAL AWARDS					(98,739)	915,795	893,062	(76,006)
EXPENDITURES OF STATE AND OTHER AWARDS								
Tennessee Department of Corrections	State	GR-06-17199-00	7/1/05 - 6/30/06	174,256	(18,192)	18,192	-	-
Tennessee Department of Corrections	State	GR-07-17835-00	7/1/06 - 6/30/07	181,086	-	155,693	178,192	(22,499)
Metro Government of Nashville and Davidson County	Local	L-1393	7/1/05 - 6/30/06	361,000	(3,261)	3,261	-	-
Metro Government of Nashville and Davidson County	Local	L-1608	7/1/06 - 6/30/07	366,000	-	366,000	366,000	-
Metro Government of Nashville and Davidson County	Local	TN 370B204006	7/1/03 - 6/30/06	150,000	(3,470)	3,470	-	-
Metro Government of Nashville and Davidson County	Local	TN 37B504017	7/1/03 - 6/30/07	46,566	-	40,307	44,775	(4,468)
TOTAL EXPENDITURES OF STATE AND OTHER AWARDS					(24,923)	586,923	588,967	(26,967)
TOTAL EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS					\$ (123,662)	\$ 1,502,718	\$ 1,482,029	\$ (102,973)

(1) Denotes a Major Program (Total expenditures under CFDA # 93.558 are \$480,066)

BASIS OF PRESENTATION

This schedule includes the federal and state grant activity of Nashville Young Women's Christian Association, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non Profit Organizations*.