

**NASHVILLE YOUNG WOMEN'S
CHRISTIAN ASSOCIATION**

FINANCIAL STATEMENTS

June 30, 2011 and 2010

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

We have audited the accompanying statement of financial position of the Nashville Young Women's Christian Association (the "YWCA") as of June 30, 2011, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of YWCA's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements for the year ended June 30, 2010 were audited by other auditors whose report dated November 28, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, 2011, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2011, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The 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 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 basic 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 basic financial statements as a whole.

Frasier, Dean & Hout, PLLC

Nashville, Tennessee
November 10, 2011

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 1,103,197	\$ 510,041
Pledges and other receivables, net	164,804	165,926
Grants receivable	108,138	99,039
Prepaid expenses	13,593	83,041
Beneficial interest in charitable remainder trust, net	33,556	31,806
Investments	3,641,907	3,366,719
Land, buildings and equipment, net	<u>3,343,733</u>	<u>3,372,264</u>
Total assets	<u><u>\$ 8,408,928</u></u>	<u><u>\$ 7,628,836</u></u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 108,762	\$ 80,761
Accrued expenses and withheld taxes	186,319	115,768
Grants payable to subrecipients	-	1,928
Deferred revenues	<u>80,215</u>	<u>40,619</u>
Total liabilities	<u>375,296</u>	<u>239,076</u>
Net assets:		
Unrestricted:		
Undesignated	1,976,388	1,580,945
Designated for property and equipment	<u>3,343,733</u>	<u>3,372,264</u>
Total unrestricted	5,320,121	4,953,209
Temporarily restricted	918,775	641,815
Permanently restricted	<u>1,794,736</u>	<u>1,794,736</u>
Total net assets	<u>8,033,632</u>	<u>7,389,760</u>
Total liabilities and net assets	<u><u>\$ 8,408,928</u></u>	<u><u>\$ 7,628,836</u></u>

See accompanying notes to the financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2011 and 2010

	2011				2010			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and support:								
Contributions	\$ 1,541,067	\$ 52,000	\$ -	\$ 1,593,067	\$ 1,228,110	\$ -	\$ -	\$ 1,228,110
United Way contributions	244,489	-	-	244,489	246,044	-	-	246,044
Grants from federal, state and local agencies	1,489,670	-	-	1,489,670	1,378,479	-	-	1,378,479
Program service fees	3,450	-	-	3,450	3,450	-	-	3,450
Other income	185,822	-	-	185,822	161,621	-	-	161,621
Investment income, net	282,426	209,855	-	492,281	167,264	161,482	-	328,746
Net assets released from restrictions/transfers	(15,105)	15,105	-	-	844,378	(844,378)	-	-
Total revenue and support	3,731,819	276,960	-	4,008,779	4,029,346	(682,896)	-	3,346,450
Program services:								
Educational/employment training	510,954	-	-	510,954	451,871	-	-	451,871
Youth services	144,787	-	-	144,787	127,561	-	-	127,561
Domestic violence	2,012,428	-	-	2,012,428	1,540,061	-	-	1,540,061
Total program services	2,668,169	-	-	2,668,169	2,119,493	-	-	2,119,493
Supporting services:								
Administrative	384,772	-	-	384,772	466,704	-	-	466,704
Development	311,966	-	-	311,966	477,533	-	-	477,533
Total supporting services	696,738	-	-	696,738	944,237	-	-	944,237
Total expenses	3,364,907	-	-	3,364,907	3,063,730	-	-	3,063,730
Change in net assets	366,912	276,960	-	643,872	965,616	(682,896)	-	282,720
Net assets - beginning of year	4,953,209	641,815	1,794,736	7,389,760	3,987,593	1,324,711	1,794,736	7,107,040
Net assets - end of year	\$ 5,320,121	\$ 918,775	\$ 1,794,736	\$ 8,033,632	\$ 4,953,209	\$ 641,815	\$ 1,794,736	\$ 7,389,760

See accompanying notes to the financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2011

	Program Services				Supporting Services			
	Educational/ Employment Training	Youth Services	Domestic Violence	Total	Administration	Development	Total	Totals
Salaries	\$ 343,377	\$ 88,794	\$ 1,038,419	\$ 1,470,590	\$ 153,837	\$ 86,637	\$ 240,474	\$ 1,711,064
Employee benefits and taxes	57,555	15,664	195,945	269,164	26,456	13,934	40,390	309,554
Total salaries and related expenses	400,932	104,458	1,234,364	1,739,754	180,293	100,571	280,864	2,020,618
Specific assistance - other	65	7,352	265,272	272,689	4,614	-	4,614	277,303
Supplies	29,111	8,098	151,844	189,053	46,152	17,036	63,188	252,241
Professional fees and contracted services	12,493	3,629	69,575	85,697	28,250	37,474	65,724	151,421
Telephone and postage	33,161	5,833	69,388	108,382	15,730	11,957	27,687	136,069
Conferences, conventions and meetings	1,730	1,645	3,057	6,432	8,462	103,041	111,503	117,935
Miscellaneous	4,572	3,975	-	8,547	46,252	8,002	54,254	62,801
Occupancy	4,250	1,146	18,641	24,037	9,221	6,092	15,313	39,350
Travel	1,965	2,895	21,069	25,929	11,097	1,472	12,569	38,498
Insurance - general	4,511	1,197	14,581	20,289	6,358	3,281	9,639	29,928
Grant expenses - subrecipient	-	-	18,118	18,118	-	-	-	18,118
Printing	843	397	3,057	4,297	627	11,595	12,222	16,519
Rental and maintenance of equipment	51	14	2,423	2,488	5,938	37	5,975	8,463
Total expenses before depreciation and amortization	493,684	140,639	1,871,389	2,505,712	362,994	300,558	663,552	3,169,264
Depreciation and amortization	17,270	4,148	141,039	162,457	21,778	11,408	33,186	195,643
Total expenses	<u>\$ 510,954</u>	<u>\$ 144,787</u>	<u>\$ 2,012,428</u>	<u>\$ 2,668,169</u>	<u>\$ 384,772</u>	<u>\$ 311,966</u>	<u>\$ 696,738</u>	<u>\$ 3,364,907</u>

See accompanying notes to the financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2010

	Program Services				Supporting Services			
	Educational/ Employment Training	Youth Services	Domestic Violence	Total	Administration	Development	Total	Totals
Salaries	\$ 279,705	\$ 66,268	\$ 792,785	\$ 1,138,758	\$ 193,515	\$ 238,044	\$ 431,559	\$ 1,570,317
Employee benefits and taxes	52,084	11,682	152,528	216,294	40,698	37,431	78,129	294,423
Total salaries and related expenses	331,789	77,950	945,313	1,355,052	234,213	275,475	509,688	1,864,740
Specific assistance - other	65	5,182	189,068	194,315	6,286	-	6,286	200,601
Occupancy	19,471	6,394	105,842	131,707	49,039	7,607	56,646	188,353
Professional fees and contracted services	12,829	4,517	42,062	59,408	52,767	35,119	87,886	147,294
Conferences, conventions and meetings	1,080	6,296	8,707	16,083	9,909	103,327	113,236	129,319
Supplies	19,809	5,141	58,680	83,630	18,013	11,280	29,293	112,923
Miscellaneous	3,530	2,151	12,069	17,750	27,950	6,427	34,377	52,127
Insurance - general	6,379	1,695	20,340	28,414	9,030	3,468	12,498	40,912
Telephone and postage	6,479	2,784	18,434	27,697	8,830	3,627	12,457	40,154
Printing	621	569	7,338	8,528	9,590	13,144	22,734	31,262
Rental and maintenance of equipment	599	693	13,381	14,673	13,340	256	13,596	28,269
Travel	1,530	1,383	13,816	16,729	2,401	1,352	3,753	20,482
Grant expenses - subrecipient	-	-	18,146	18,146	-	-	-	18,146
Total expenses before depreciation and amortization	404,181	114,755	1,453,196	1,972,132	441,368	461,082	902,450	2,874,582
Depreciation and amortization	47,690	12,806	86,865	147,361	25,336	16,451	41,787	189,148
Total expenses	<u>\$ 451,871</u>	<u>\$ 127,561</u>	<u>\$ 1,540,061</u>	<u>\$ 2,119,493</u>	<u>\$ 466,704</u>	<u>\$ 477,533</u>	<u>\$ 944,237</u>	<u>\$ 3,063,730</u>

See accompanying notes to the financial statements.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 643,872	\$ 282,720
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	195,643	189,148
Realized and unrealized gains on investments	(355,384)	(325,001)
(Gain) loss on sale of equipment	(1,205)	1,798
Donation of equipment	(22,000)	-
(Increase) decrease in:		
Pledges and other receivables	1,122	19,066
Grants receivable	(9,099)	32,513
Prepaid expenses	69,448	(48,857)
Beneficial interest in charitable remainder trust	(1,750)	(1,473)
Increase (decrease) in:		
Accounts payable	28,001	63,510
Accrued expenses and withheld taxes	70,551	56,459
Grants payable to subrecipients	(1,928)	(3,242)
Deferred revenues	39,596	12,120
	<u>656,867</u>	<u>278,761</u>
Net cash provided by operating activities		
Cash flows from investing activities:		
Proceeds from sale and maturation of investments	7,697,750	164,000
Purchase of investments	(7,617,554)	(600,000)
Purchase of land, buildings and equipment	(143,907)	(153,687)
	<u>(63,711)</u>	<u>(589,687)</u>
Net cash used in investing activities		
Increase (decrease) in cash and cash equivalents	593,156	(310,926)
Cash and cash equivalents - beginning of year	<u>510,041</u>	<u>820,967</u>
Cash and cash equivalents - end of year	<u>\$ 1,103,197</u>	<u>\$ 510,041</u>
Supplemental schedule of non-cash investing activities:		
Donation of equipment	<u>\$ 22,000</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

NASHVILLE YOUNG WOMEN’S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2011 and 2010

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 \$20,797 in 2011 and \$19,041 in 2010, and is included in professional fees.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Resources are classified as unrestricted, temporarily restricted 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, 2011 and 2010

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 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 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 \$2,000 in 2011 and \$9,000 in 2010.

Cash Equivalents

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

Pledges, Grants and Other Receivables

Pledges and other receivables that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discount on those amounts is computed using a risk-free interest rate applicable to the year in which the promise is received (not significant at June 30, 2011 or 2010). Management considers pledges receivable to be fully collectible. Therefore, no allowance has been provided.

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

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Charitable Remainder Trust (Continued)

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.

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 program service fees received prior to year end to pay for program services deliverable 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, 2011 and 2010

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. These valuation methodologies were applied to all of the YWCA's financial assets and financial liabilities carried at fair value effective July 1, 2008. In general, fair value is based on quoted market prices, where available. If such quoted market prices are not available, fair value is based on internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include amounts to reflect counterparty credit quality and 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

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments and Fair Value Measurements (Continued)

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. 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/Employment Training – The adult education program is open to all Davidson county residents, over the age of 18, who have not obtained a high school diploma. This program provides training and resources to help individuals obtain a GED and/or increase literacy levels. The program is conducted at three community sites, which are located near major bus lines.

Youth Services – This program uses a research-based curriculum that develops 5th and 6th grade girls' leadership skills, knowledge about safety issues, and abilities to resist stereotypes. During fiscal year 2009, the YWCA partnered with the Girls, Inc. Agency to form the program, "Girls, Inc.," at the YWCA.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (Continued)

Program Services: (Continued)

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

Supporting Services:

Administrative – Includes costs related to the overall direction of the YWCA. These expenses are not identifiable with a particular program or with fundraising, but are indispensable to the conduct of those activities and are essential to the YWCA. Specific activities include organization oversight, business management, human resource function, finance and accounting services, training and coordinating volunteers, property and technology oversight, and other administrative duties.

Development – Includes costs of activities directed toward grant writing, donor tracking, public relations, and fundraising. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Income Taxes

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

The YWCA has adopted 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, 2011, the YWCA did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the year then ended.

The YWCA files U.S. Federal Form 990 for organizations exempt from income tax. Tax returns are subject to audit by the U.S. Internal Revenue Service for three years following the date of filing. Tax returns for years prior to fiscal year ended June 30, 2009 are closed.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Events Occurring after Reporting Date

The YWCA has evaluated events and transactions that occurred between June 30, 2011 and November 10, 2011, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The YWCA maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance 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, 2011 and 2010 totaled \$304,031 and \$0, respectively.

Securities held in broker/dealer accounts are insured by the Securities Investor Protection Corporation ("SIPC"), up to \$500,000 per broker/dealer, in certain circumstances such as fraud or failure of the institution. Accounts held by one broker/dealer, which exceed SIPC limits, are covered by additional protection through the Customer Asset Protection Company. Under this program, cash and fully paid securities are not subject to any dollar amount limitation. Accounts held by another broker/dealer are also insured by the SIPC and covered through the Customer Asset Protection Company. Under this program, cash and fully paid securities are covered by an additional \$124.5 million of insurance. The SIPC and additional protection do not insure against market risk.

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>2011</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market accounts	\$ 229,093	\$ -	\$ -	\$ 229,093
Exchange-traded funds	65,985	-	-	65,985

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

<u>2011</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual Funds:				
Large cap	\$ 708,335	\$ -	\$ -	\$ 708,335
International blend	383,086	-	-	383,086
Small cap	239,713	-	-	239,713
Mid cap	149,136	-	-	149,136
World allocation	111,658	-	-	111,658
Convertible	122,765	-	-	122,765
Diversified emerging market	150,368	-	-	150,368
Fixed income funds	<u>1,481,768</u>	<u>-</u>	<u>-</u>	<u>1,481,768</u>
Total investments	3,641,907	-	-	3,641,907
Beneficial interest in charitable remainder trust	<u>-</u>	<u>-</u>	<u>33,556</u>	<u>33,556</u>
	<u>\$ 3,641,907</u>	<u>\$ -</u>	<u>\$ 33,556</u>	<u>\$ 3,675,463</u>
<u>2010</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Money market accounts	\$ 1,586,416	\$ -	\$ -	\$ 1,586,416
Certificates of deposit	-	95,000	-	95,000
Preferred stock	18,534	-	-	18,534
Common stock:				
Basic materials	5,984	-	-	5,984
Consumer goods	13,592	-	-	13,592
Financial	407,976	-	-	407,976
Healthcare	44,448	-	-	44,448
Industrial goods	48,932	-	-	48,932
International	79,102	-	-	79,102
Services	83,387	-	-	83,387
Technology	12,401	-	-	12,401
Mutual funds:				
Value funds	<u>970,947</u>	<u>-</u>	<u>-</u>	<u>970,947</u>
Total investments	3,271,719	95,000	-	3,366,719
Beneficial interest in charitable remainder trust	<u>-</u>	<u>-</u>	<u>31,806</u>	<u>31,806</u>
	<u>\$ 3,271,719</u>	<u>\$ 95,000</u>	<u>\$ 31,806</u>	<u>\$ 3,398,525</u>

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

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, 2010	\$ 31,806
Change in fair value of beneficial interest	<u>1,750</u>
Balance June 30, 2011	<u>\$ 33,556</u>

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

	<u>2011</u>	<u>2010</u>
Interest and dividend income	\$ 136,897	\$ 3,745
Realized and unrealized gains on investments	<u>355,384</u>	<u>325,001</u>
Total investment income	<u>\$ 492,281</u>	<u>\$ 328,746</u>

Investment expenses of \$16,524 and \$13,337 were included in realized and unrealized gains for the years ended June 30, 2011 and 2010, respectively.

NOTE 5 – LAND, BUILDINGS AND EQUIPMENT

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

	<u>2011</u>	<u>2010</u>
Land	\$ 405,763	\$ 405,763
Buildings and improvements	5,004,482	4,945,262
Office equipment	933,917	901,744
Program equipment	36,598	36,598
Automobile	<u>16,706</u>	<u>16,706</u>
	6,397,466	6,306,073
Less: accumulated depreciation	<u>(3,053,733)</u>	<u>(2,933,809)</u>
	<u>\$ 3,343,733</u>	<u>\$ 3,372,264</u>

Depreciation expense recognized by the YWCA amounted to \$195,643 and \$189,148 for the years ended June 30, 2011 and 2010, respectively.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 6 – PLEDGES AND OTHER RECEIVABLES

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

	<u>2011</u>	<u>2010</u>
Due within one year	\$ 117,804	\$ 65,926
Due within two to five years	<u>47,000</u>	<u>100,000</u>
Total pledges receivable	<u>\$ 164,804</u>	<u>\$ 165,926</u>

NOTE 7 – LONG-TERM DEBT

The YWCA has an unsecured, \$250,000 revolving line of credit agreement with a bank, with interest on outstanding borrowings charged at a fluctuating rate equal to the prime rate. No borrowings were made under this agreement during fiscal years 2011 or 2010. The revolving line of credit agreement expires April 27, 2012.

NOTE 8 – TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2011</u>	<u>2010</u>
Beneficial interest in charitable remainder trust, net	\$ 33,556	\$ 31,806
Scholarships	65,105	-
Burn the Mortgage campaign	300,000	450,000
Weaver Center refurbish and refurbish campaign	25,000	-
Pledges receivable	127,000	-
Net gains on permanently restricted endowment since inception	<u>368,114</u>	<u>160,009</u>
Total temporarily restricted net assets	<u>\$ 918,775</u>	<u>\$ 641,815</u>

NOTE 9 – ENDOWMENT FUNDS

Financial accounting standards provide guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA"). Net assets associated with endowment funds are required to be classified and reported based on the existence or absence of donor-imposed restrictions.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 9 – ENDOWMENT FUNDS (Continued)

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

Interpretation of applicable law – In applying the provisions of the applicable law, the Board of Directors has determined that the YWCA is required to account for the fair value of donor-restricted endowment fund gifts as of the gift date, absent explicit donor stipulations to the contrary. As a result of this interpretation, the YWCA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. Any remaining accumulated portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the YWCA in a manner consistent with the standard of prudence prescribed by UPMIFA.

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

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

Spending policy – The YWCA has a policy 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, 2011 and 2010.

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.

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 9 – ENDOWMENT FUNDS (Continued)

- 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%.

Asset allocations are targeted at 30% - 70% equities, 20% - 70% fixed income, 0% - 15% alternative investments, 10% - 40% 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:

		2011		
		<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
				<u>Total</u>
Donor-restricted endowment funds		\$ -	\$ 368,114	\$ 1,794,736
				\$ 2,162,850

		2010		
		<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
				<u>Total</u>
Donor-restricted endowment funds		\$ -	\$ 160,009	\$ 1,794,736
				\$ 1,954,745

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

		2011		
		<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
				<u>Total</u>
Endowment net assets, July 1, 2010		\$ -	\$ 160,009	\$ 1,794,736
Dividends and interest		-	58,233	-
Realized and unrealized gain, net		-	149,872	-
Endowment net assets, June 30, 2011		\$ -	\$ 368,114	\$ 1,794,736
				\$ 2,162,850

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2011 and 2010

NOTE 9 – ENDOWMENT FUNDS (Continued)

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

NOTE 10 – RETIREMENT PLAN

Employees of the YWCA participate in the Young Women's Christian Association of America Retirement Fund ("the Fund") upon completion of two years of employment. The YWCA does not administer this Fund. Payments are made by the YWCA to the Fund on behalf of eligible employees based on the employee's compensation.

Pension expense recognized by the YWCA was approximately \$27,000 and \$31,000 for the years ended June 30, 2011 and 2010, respectively.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The YWCA has received certain federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in disallowance of expenditures, management believes that any required reimbursements would not be significant. Accordingly, no provision has been made for any potential reimbursements to the grantors.

ADDITIONAL INFORMATION

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS
For the Year Ended June 30, 2011

Grant Description	Federal CFDA Number	Grantor's Number	Grant Period	(Accrued)	(Accrued)		(Accrued)
				Deferred Revenue 6/30/10	7/1/10 - 6/30/11	Deferred Revenue 6/30/11	
ReceiptsExpenditures							
U.S. Department of Housing and Urban Development							
Supportive Housing Program	14.235	TN37B704004	7/1/08-6/30/10	\$ (24,535)	\$ 24,535	\$ -	\$ -
Supportive Housing Program	14.235	TN0114B4J040901	7/1/10-6/30/11	-	165,518	173,769	(8,251)
Total for CFDA No. 14.235				(24,535)	190,053	173,769	(8,251)
Passed through Metropolitan Development and Housing Agency							
Emergency Shelter Grant Program	14.231	4328	4/1/10-3/31/11	(5,264)	18,000	12,736	-
Community Development Block Grant	14.218	N/A	6/1/11-8/15/11	-	-	6,703	(6,703)
Housing Assistance Payments Program Special Allocations	14.317-ARRA	TN572-06	10/1/09-9/30/11	(11,798)	175,205	173,620	(10,213)
Total U.S. Department of Housing and Urban Development				(41,597)	383,258	366,828	(25,167)
U.S. Department of Justice							
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528	2007-EW-AX-K010	10/1/07-9/30/11	(11,881)	75,200	67,761	(4,442)
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	2008-WH-AV-0002	9/1/08-8/31/11	(9,511)	56,426	52,279	(5,364)
Passed through Tennessee Department of Finance and Administration, Office of Criminal Justice Programs							
Victims of Crime Act (VOCA)	16.575	3813	7/1/09-6/30/12	-	97,380	106,212	(8,832)
Violence Against Women Formula Grants	16.588-ARRA	4186	7/1/09-6/30/12	-	58,014	63,277	(5,263)
Violence Against Women Formula Grants	16.588-ARRA	3769	7/1/09-4/30/11	(2,323)	5,923	3,600	-
Total for CFDA No. 16.588				(2,323)	63,937	66,877	(5,263)
Byrne JAG	16.803-ARRA	3600	7/1/09-6/30/11	-	25,674	28,000	(2,326)
Passed through Tennessee Commission on Children and Youth							
Juvenile Justice and Delinquency Prevention	16.540	Z-09-213589-00	10/1/09-9/30/10	(9,671)	18,421	8,750	-
Juvenile Justice and Delinquency Prevention	16.540	Z-09-213604-00	10/1/10-9/30/11	-	16,924	26,250	(9,326)
Total for CFDA No. 16.540				(9,671)	35,345	35,000	(9,326)
Total U.S. Department of Justice				(33,386)	353,962	356,129	(35,553)

(continued on next page)

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER AWARDS
For the Year Ended June 30, 2011

Grant Description	Federal CFDA Number	Grantor's Number	Grant Period	(Accrued) Deferred Revenue 6/30/10	7/1/10 - 6/30/11		(Accrued) Deferred Revenue 6/30/11
					Receipts	Expenditures	
<u>U.S. Department of Health and Human Services</u>							
Passed Through Tennessee Department of Human Services							
Child and Adult Care Food Program	10.558	03-47-20007-003	9/30/08-9/30/09	1,320	-	1,320	-
Child and Adult Care Food Program	10.558	03-47-20007-003	10/1/09-9/30/10	(6,165)	19,679	13,514	-
Child and Adult Care Food Program	10.558	03-47-20007-003	10/1/10-9/30/11	-	33,768	38,379	(4,611)
Total for CFDA No. 10.558				(4,845)	53,447	53,213	(4,611)
Passed through Tennessee Department of Finance and Administration, Office of Criminal Justice Programs							
Family Violence Prevention and Services	93.671 +	9404	7/1/10-6/30/11	-	77,824	84,889	(7,065)
Total U.S. Department of Health and Human Services				(4,845)	131,271	138,102	(11,676)
<u>U.S. Department of Education</u>							
Passed through Tennessee Department of Labor and Workforce Development							
Tennessee Department of Labor - Adult Education	84.002 +	6574	7/1/10-6/30/11	-	207,924	218,650	(10,726)
Total U.S. Department of Education				-	207,924	218,650	(10,726)
Total expenditures of Federal awards				(79,828)	1,076,415	1,079,709	(83,122)
<u>Expenditures of State and Other Awards</u>							
Metro Government of Nashville and Davidson County	n/a	L-2298	7/1/09-6/30/10	(19,211)	19,211	-	-
Metro Government of Nashville and Davidson County	n/a	L-2452	7/1/10-6/30/11	-	287,237	306,300	(19,063)
Family Violence Shelter Programs	n/a	9404	7/1/10-6/30/11	-	41,947	45,755	(3,808)
TN Department of Labor	n/a	6574	7/1/10-6/30/11	-	41,595	43,740	(2,145)
Nashville Afterschool Zone Alliance - Mayor's Office Initiative	n/a		1/1/11-5/31/11	-	14,166	14,166	-
Total expenditures of State and Other awards				(19,211)	404,156	409,961	(25,016)
Total expenditures of Federal, State and Other awards				\$ (99,039)	\$ 1,480,571	\$ 1,489,670	\$ (108,138)

+ Denotes a major program

BASIS OF PRESENTATION

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



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

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

We have audited the financial statements of Nashville Young Women's Christian Association (the "YWCA") as of and for the year ended June 30, 2011, and have issued our report thereon dated November 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

We note certain other matters that we reported to management of YWCA in a separate letter dated November 10, 2011.

This report is intended solely for the information and use of management, the board of directors, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Frasier, Dean & Howard PLLC

FRASIER, DEAN & HOWARD, PLLC

Nashville, Tennessee

November 10, 2011



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the Nashville Young Women's Christian Association's (the "YWCA") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of YWCA's major federal programs for the year ended June 30, 2011. YWCA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of YWCA's management. Our responsibility is to express an opinion on YWCA's compliance based on our audit.

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

In our opinion, YWCA 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, 2011.

Internal Control Over Compliance

Management of YWCA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered YWCA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of YWCA'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.

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

This report is intended solely for the information and use of management, the board of directors, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Fraser, Dean & Howard, PLLC

FRASIER, DEAN & HOWARD, PLLC
Nashville, Tennessee
November 10, 2011

NASHVILLE YOUNG WOMEN'S CHRISTIAN ASSOCIATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2011

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of YWCA.
2. No significant deficiencies were disclosed during the audit of the financial statements and reported in the 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 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 with Requirements that could have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for YWCA expresses an unqualified 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:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.671	Family Violence Prevention and Services
84.002	Adult Education

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
Year ended June 30, 2011

NONE