

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Audited Financial Statements and Other Information
For the Years Ended June 30, 2022 and 2021**

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**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Schedule of Board of Directors and Management (Unaudited)
June 30, 2022**

Board of Directors

Mr. Jimmy Parker	Chair
Ms. Sonja Baggett	Vice Chair
Ms. Ronnie DeVault	Treasurer
Ms. Stephanie Mason	Recording Secretary
Mr. Michael Williamson	Corresponding Secretary
Ms. Mary New	Board Member
Ms. Stacy Knight	Board Member
Ms. De'Velma Dixon	Board Member
Ms. Beverly Guynn	Board Member
Ms. Jill Crow	Board Member
Mr. Jason Bell	Board Member
Ms. Lois Greider	Board Member
Mr. Charles Wilkins	Board Member
Ms. Dela Saunders	Board Member

Management

Ms. Loo Caudle	Executive Director
Mr. Robert Thompson	Fiscal Director



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc.

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, of the Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc. (the Center), a component unit of the City of Clarksville, Tennessee, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Center, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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, and the requirements prescribed by the Comptroller of the Treasury, State of Tennessee, as detailed in the Audit Manual. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center's and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2022, on our consideration of the Center'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 solely 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 effectiveness of the Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

Thurman Campbell Group, PLC

Clarksville, TN
September 30, 2022

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

As management of the Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc. (the Center), we offer readers of the Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc.'s financial statements this narrative overview and analysis of the financial activities of the Center for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Center's financial statements, which follow this narrative.

Financial Highlights

- The assets of the Center exceeded its liabilities at the close of the 2022 and 2021 fiscal years by \$425,780 and \$328,183 net position respectively.
- The Center's total net position increased by \$97,597 for fiscal year ended June 30, 2022 and increased by \$56,080 for fiscal year ended June 30, 2021.

Using this Annual Report

This annual report consists of a series of financial statements that give information about the Center's activities. Comparative summaries and tables are provided to aid in the discussion and analysis of such activities.

The Statements of Net Position include all of the Center's assets, deferred outflows, liabilities, and deferred inflows and provides information about the nature and amounts of investments in resources and obligations.

All of the current year's revenues and expenses are accounted for in the Statements of Revenues Expenses, and Changes in Net Position. These statements measure the success of the Center's operations over the past year and can be used to determine if the Center recovered all of its operating cost through program charges and contributions.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Center's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, non-capital and capital financing activities. This statement also provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

The financial statements are prepared in accordance with generally accepted accounting principles. The Center uses the accrual basis of accounting, which is similar to accounting methods used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

The Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc.'s
Condensed Statement of Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets			
Total Current Assets	\$ 345,281	\$ 326,503	\$ 262,522
Net Capital Assets	<u>89,725</u>	<u>89,211</u>	<u>96,943</u>
Total Assets	<u><u>\$ 435,006</u></u>	<u><u>\$ 415,714</u></u>	<u><u>\$ 359,465</u></u>
Liabilities and Net Position			
Total Current Liabilities	9,226	10,031	9,863
Total Long-Term Liabilities	<u>-</u>	<u>77,500</u>	<u>77,500</u>
Net Position			
Investment in Capital Assets	89,725	89,211	96,943
Unrestricted	<u>345,281</u>	<u>238,972</u>	<u>175,159</u>
Total Net Position	<u>425,780</u>	<u>328,183</u>	<u>272,102</u>
Total Liabilities and Net Position	<u><u>\$ 435,006</u></u>	<u><u>\$ 415,714</u></u>	<u><u>\$ 359,465</u></u>

As noted earlier, net position may serve over time as one useful indicator of the Center's financial condition. The assets of the Center exceeded liabilities by \$425,780 and \$328,183 as of June 30, 2022 and 2021 respectively. The Center's net position increased by \$97,597 and \$56,080 for the fiscal year ended June 30, 2022 and 2021 respectively.

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

The Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc.'s
Condensed Statement of Revenues, Expenses, and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating Revenues			
Operating Grants and Local Support	\$ 546,123	\$ 469,720	\$ 525,106
Charges for Services	<u>201,488</u>	<u>8,730</u>	<u>161,840</u>
Total Operating Revenues	<u>747,611</u>	<u>478,450</u>	<u>686,946</u>
Operating Expenses			
Program Expenses	<u>727,514</u>	<u>422,370</u>	<u>616,675</u>
Total Operating Expenses	<u>727,514</u>	<u>422,370</u>	<u>616,675</u>
Operating Income (Loss)	20,097	56,080	70,271
Non-Operating Revenues (Expenses)			
Non-Operating Revenues (Expenses)	<u>77,500</u>	<u>-</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>77,500</u>	<u>-</u>	<u>-</u>
Change In Net Position	97,597	56,080	70,271
Net Position, Beginning of Year	<u>328,183</u>	<u>272,103</u>	<u>201,832</u>
Net Position, End of Year	<u><u>\$ 425,780</u></u>	<u><u>\$ 328,182</u></u>	<u><u>\$ 272,103</u></u>

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Management's Discussion and Analysis (Unaudited)
Years Ended June 30, 2022 and 2021**

Business Type Activities

Business type activities increased the Center's net position by \$97,597. Key elements of this increase are as follows:

- The Center's revenues exceeded expenses.
- Grants from the City of Clarksville, GNRC, and United Way stayed consistent.
- The SBA forgave the PPP Loan in full.
- The reoccurring operating expenses not covered by proceeds from supporting organizations are attempted to be covered by additional fundraising initiatives or special funding requests to such organizations.

Financial Analysis of the Authority's Funds

The Center uses governmental accounting to ensure and demonstrate compliance with grantor and legal requirements.

Capital Assets

The Center's investment in capital assets for its governmental and business type activities amounted to \$89,725 and \$89,211 (net of accumulated depreciation) as of June 30, 2022 and 2021 respectively. This investment in capital assets includes leasehold improvements, furniture, equipment, and vehicles. The total increase in the Center's investment in capital assets for the current fiscal year was below percent. The major capital asset increase during the current fiscal year was a new sign for the facility.

Requests for Information

This report is designed to provide an overview of the Center's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Robert Thompson, Fiscal Director of Clarksville Montgomery County Ajax Turner Senior Center, Inc., 953 Clark Street, Clarksville, TN 37040, phone 931-648-1345 or email ctr7528@hotmail.com.

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Statements of Net Position
June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets		
Cash	\$ 300,457	\$314,014
Accounts Receivable	39,986	8,033
Deposits and Prepaids	<u>4,838</u>	<u>4,456</u>
Total Current Assets	<u>345,281</u>	<u>326,503</u>
Capital Assets		
Property & Equipment	690,695	676,095
Less: Accumulated Depreciation	<u>(600,970)</u>	<u>(586,884)</u>
Net Capital Assets	<u>89,725</u>	<u>89,211</u>
Total Assets	<u><u>\$ 435,006</u></u>	<u><u>\$415,714</u></u>
 Liabilities and Net Position		
Current Liabilities		
Accounts Payable	\$ 1,048	\$ 4,458
Accrued Liabilities	<u>8,178</u>	<u>5,573</u>
Total Current Liabilities	<u>9,226</u>	<u>10,031</u>
 Long-Term Liabilities		
Notes Payable	<u>-</u>	<u>77,500</u>
Total Long-Term Liabilities	<u>-</u>	<u>77,500</u>
 Net Position		
Investment in Capital Assets	89,725	89,211
Unrestricted	<u>336,055</u>	<u>238,972</u>
Total Net Position	<u>425,780</u>	<u>328,183</u>
Total Liabilities and Net Position	<u><u>\$ 435,006</u></u>	<u><u>\$415,714</u></u>

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Operating Revenues		
Local Support	\$ 491,523	\$ 426,108
Contributions	37,233	2,242
Program Service Fees	159,150	6,490
Fundraising	5,105	-
Grants	<u>54,600</u>	<u>43,610</u>
Total Operating Revenues	<u>747,611</u>	<u>478,450</u>
Operating Expenses		
Salaries	392,021	226,782
Fringe Benefits	19,879	16,440
Payroll Taxes	31,423	18,058
Food	51,771	5,679
Fundraising	3,633	-
Building Occupancy	2,307	4,937
Utilities	94,503	78,274
Program Cost	29,487	11,737
Repairs and Maintenance	28,102	15,259
Supplies	10,571	112
Office Expenses	15,211	5,207
Professional Fees	14,349	13,940
Insurance	20,171	12,716
Depreciation	<u>14,086</u>	<u>13,229</u>
Total Operating Expenses	<u>727,514</u>	<u>422,370</u>
Operating Income (Loss)	<u>20,097</u>	<u>56,080</u>
Non-Operating Revenues (Expenses)		
PPP Loan Forgiveness	<u>77,500</u>	<u>-</u>
Total Non-Operating Revenue (Expenses)	<u>77,500</u>	<u>-</u>
Change In Net Position	97,597	56,080
Net Position, Beginning of Year	<u>328,183</u>	<u>272,103</u>
Net Position, End of Year	<u><u>\$ 425,780</u></u>	<u><u>\$ 328,183</u></u>

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Statements of Cash Flows
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Cash received from local support	\$ 491,523	\$ 426,108
Cash received from contributors	37,233	1,162
Cash received from customers	123,405	12,650
Cash received from fundraising	5,105	-
Cash received from grantors	54,600	43,614
Cash payments to suppliers for goods and services	(267,500)	(149,238)
Cash payments to employees for services	<u>(443,323)</u>	<u>(261,280)</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,043</u>	<u>73,017</u>
 Cash Flows From Capital and Related Financing Activities		
Purchases of equipment	<u>(14,600)</u>	<u>(5,497)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(14,600)</u>	<u>(5,497)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	(13,557)	67,520
 Cash and Cash Equivalents at Beginning of Period	<u>314,014</u>	<u>246,494</u>
 Cash and Cash Equivalents at Period End	<u><u>\$ 300,457</u></u>	<u><u>\$ 314,014</u></u>

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Statements of Cash Flows (Continued)
Years Ended June 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
Reconciliation of Operating Income		
(Loss) to Net Cash Provided By		
Operating Activities		
Operating income (loss)	\$ 20,097	\$ 56,080
Adjustments to reconcile operating income (loss) to net cash provided by (used in) Operating Activities:		
Depreciation	14,086	13,229
(Increase) decrease in account receivable	(31,953)	2,955
(Increase) decrease in deposits and prepaids	(382)	585
Increase (decrease) in accounts payable	(3,410)	1,540
Increase (decrease) in accrued liabilities	<u>2,605</u>	<u>(1,372)</u>
Net Cash Provided by (Used in) Operating Activities	<u><u>\$ 1,043</u></u>	<u><u>\$ 73,017</u></u>

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Notes to Financial Statements
June 30, 2022 and 2021**

1 Summary of Significant Accounting Policies

Reporting Entity - Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc. (the Center) is a nonprofit corporation located in Clarksville, Tennessee, whose purpose is to enrich the lives of citizens ages 50 and older in the Clarksville-Montgomery County area. To accomplish this purpose, the Center conducts lectures, educational programs, social events, craft programs, dances and other services for the elderly. The main program services offered by the Center are the Adult Day Care and various dances held throughout the year.

The Center is a component unit of the City of Clarksville, Tennessee (the City), which is the principal reporting entity and primary government. The Center's board of directors consists of 14 members: seven appointed by the County Mayor of Montgomery County, Tennessee, and confirmed by the County Commissioners, and seven appointed by the City Mayor, and confirmed by the City Council. The City provides primary funding support along with the support of United Way, the Greater Nashville Regional Council, and program service fees.

Use of Accounting Estimates - The Center's financial statements are presented in accordance with accounting principles generally accepted in the United States of America which require the use of management's estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from these estimates in the near term and these variances could have a material effect on these financial statements.

Measurement Focus/Basis of Accounting - Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The financial statements of the Center have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Revenue Recognition - Operating income includes revenues and expenses related to the primary, continuing operations. Operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Contributions are generally available for unrestricted use in the current fiscal year unless specifically restricted by the donor. Unconditional promises to give are recorded as received.

Grants and other contributions of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. To ensure observance of limitations and restrictions placed on the use of resources available to the Center, separate general ledger accounts of the Center are maintained for each distinct donor restriction.

The Center receives donated services from a variety of unpaid volunteers. None of these services were recognized as income or expense in these financial statements.

Cash and Cash Equivalents - For the purposes of the statement of cash flows, the Center considers bank deposits and all highly liquid instruments with a maturity of three months or less when purchased to be cash and cash equivalents.

Income Taxes - The Center is a non-profit organization as described in Section 501(c)3 of the Internal Revenue Code and is exempt from federal and state income taxes. The Center is not subject to federal income tax except on unrelated trade or business income under Section 511 of the Internal Revenue Code. However, the Center does file the information returns required by the Internal Revenue Service (IRS). The Center has not been determined to be a private foundation by the IRS. Three years' tax returns remain subject to examination at June 30, 2022.

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

1 Summary of Significant Accounting Policies (continued)

Property and Equipment - The Center capitalizes all expenditures in excess of \$500 for property and equipment at cost. Donations of property and equipment are recorded as contributions at the acquisition value at the time of acquisition.

Depreciation of buildings and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Routine repairs and maintenance are expensed as incurred.

Compensated Absences - Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Center's policy is to recognize these costs when actually paid.

Accounts Receivable - Accounts receivable are stated at unpaid balances. The Center provides for losses on accounts receivable using the allowance method. The allowance is based on experience and other circumstances, which may affect the ability of supporters to meet their obligations. It is the Center's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. No allowance for doubtful accounts have been recorded for 2022 or 2021.

Restricted Net Position - Restricted net position represents funds restricted for specific programs. When both restricted and unrestricted resources are available for use, it is the Center's policy to use restricted resources first, then unrestricted resources as needed.

Funding Sources - The Center's operating expenses are primarily funded by transfers of funds from the City of Clarksville. Other funding sources include grants, donations, memberships, program services, and fundraising projects. A major reduction in funding by the City of Clarksville could have a significant effect on the future operations of the Center's programs and activities.

2 Cash Deposits

Statement No. 40, "Deposit and Investment Risk Disclosures", of the Governmental Accounting Standards Board (GASB), states "if a government has no deposit or investment policy that addresses a specific type of risk that it is exposed to, the disclosure should indicate that fact." The Center does not have an official deposit and investment policy. Although there is no official deposit and investment policy for the Center, in order to provide a safe temporary medium for investment of the Center's idle funds, the Center invests those idle funds under the provisions of Tennessee Code Annotated 6-56-106. State statutes authorize the Center to invest in, among other things: (1) U.S. government securities and obligations guaranteed by the U.S. government, (2) deposit accounts at state and federally chartered banks and savings and loan associations, and (3) the Local Government Investment Pool of the State of Tennessee.

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

2 Cash Deposits (continued)

Cash and cash equivalents, restricted and unrestricted, consist of the following:

	June 30,	
	2022	2021
Cash on hand	\$ 880	\$ 880
Cash in checking accounts	299,577	313,133
	<u>\$ 300,457</u>	<u>\$ 314,013</u>

The Federal Depository Insurance Corporation (FDIC) currently insures the first \$250,000 of the Center's deposits at each financial institution. State statutes require that all deposits with financial institutions must be secured by FDIC, by the Tennessee Bank Collateral Pool or by collateral held by the financial institution in the Center's name.

As of June 30, 2022 and 2021, cash and cash equivalents included bank balances of 320,712 and 322,747 which excludes any deposits in transit or outstanding checks and book balances of 299,577 and 313,133. All of the Center's cash and cash equivalents were insured by the FDIC or the State of Tennessee Collateral Pool. Both cash and cash equivalents are carried at cost which approximated fair value at June 30, 2022 and 2021.

3 Accounts Receivable

The Center has accounts receivable that consists primarily of support due from the GNRC, amounting to \$39,986 and \$8,033 at June 30, 2022 and 2021, respectively. Management has evaluated the accounts receivable and believes it to be fully collectible, and accordingly, no allowance for doubtful accounts is considered necessary.

4 Capital Assets

Property & Equipment consists of:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022	Estimated Useful Lives
Equipment, furniture, and fixtures	\$ 328,967	\$ 14,600	\$ -	\$ 343,567	5-10 years
Vehicles	39,801	-	-	39,801	5 years
Leasehold improvements	307,327	-	-	307,327	15 years
	676,095	14,600	-	690,695	
Less accumulated depreciation	(586,884)	(14,086)	-	(600,970)	
Net Capital Assets	<u>\$ 89,211</u>	<u>\$ 514</u>	<u>\$ -</u>	<u>\$ 89,725</u>	

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

4 Capital Assets (continued)

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Estimated Useful Lives
Equipment, furniture, and fixtures	\$ 323,470	\$ 5,497	\$ -	\$ 328,967	5-10 years
Vehicles	39,801	-	-	39,801	5 years
Leasehold improvements	307,327	-	-	307,327	15 years
	670,598	5,497	-	676,095	
Less accumulated depreciation	(573,655)	(13,229)	-	(586,884)	
Net Capital Assets	<u>\$ 96,943</u>	<u>\$ (7,732)</u>	<u>\$ -</u>	<u>\$ 89,211</u>	

Depreciation expense totaled \$14,086 and \$13,229 for June 30, 2022 and 2021, respectively.

Leasehold improvements are being depreciated over 15 years. Generally Accepted Accounting Principles requires leasehold improvements be amortized or depreciated over the lesser of the life of the asset or remaining lease term.

Should the Center cease operations, it is likely that these leasehold improvements would be surrendered to the City. A loss contingency has not been accrued.

5 Economic Dependency

The Center receives grants from the Greater Nashville Regional Council, local assistance from the City of Clarksville and United Way. The Center relies heavily on assistance from these sources and would have to greatly reduce services provided to Center participants if the assistance were significantly reduced. Management does not expect any significant changes in funding.

6 Commitments and Contingencies

The Center's exposure to property loss and general liability is handled through the purchase of commercial insurance. Insurance coverage was adequate to cover settlements for the past three fiscal years.

7 Subsequent Events

The Center has evaluated subsequent events through September 30, 2022, the date which the financial statements were available to be issued.

8 Concentration of Credit Risk

Substantially all of the Center's accounts receivable balance is comprised of one account, which management has evaluated on a historical basis and has determined the credit risk associated with this entity to be minimal.

9 Assets Transferred to a Recipient Organization

In the past, the Center has made contributions to the Community Foundation of Middle Tennessee (Foundation). These contributions are permanent assets of the Foundation. The Foundation has variance power over the funds. The Foundation is to distribute funds only upon the Center's written request signed by board and management. The funds available to be distributed are limited to 5% of yearly earnings as calculated at the end of the year of request. If no such request is made that year's earnings would be reclassified as permanent asset to the Foundation. If the Center were to cease to continue as a going concern the permanent funds and accumulated earnings of the fund would remain under authority of the Foundation. As of June 30, 2022 and June 30, 2021 the balance of the fund was \$25,833 and \$29,378, respectively.

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Notes to Financial Statements (Continued)
June 30, 2022 and 2021**

10 Long-Term Debt

The following is a summary of changes to long-term liabilities during the year ended June 30, 2022.

Description	Balance 6/30/2021	Added	Forgiven	Balance 6/30/2022	Due Within One Year
PPP Loan	\$ 77,500	\$ -	\$ (77,500)	\$ -	\$ -

Paycheck Protection Program (PPP)

On June 25, 2020, the Center obtained a loan through Legends Bank in the amount of \$77,500 under the Payroll Protection Program. This loan bears an interest of 1% with a term of 5 years, maturing on June 25, 2025. The Payroll Protection Program is a loan program designed to provide a direct incentive for small businesses to keep their workers on the payroll. Although this loan is being originated by Legends Bank, it is part of a program to be funded by the United States Treasury, with qualification overseen by the Small Business Administration ("SBA"). On October 7, 2021, the Center received notice from the SBA that the PPP funds were used appropriately, and all amounts were fully forgiven. The full amount of the loan forgiveness will be reported as a component of Non-Operating Revenues for the fiscal year ending June 30, 2022.

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Final Maturity Date	Outstanding 07/01/2021	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 06/30/2022
Note Payable - PPP Loan	\$ 77,500	1%	6/25/2020	6/25/2025	\$ 77,500	\$ -	\$ -	\$ 77,500	\$ -

11 New Pronouncements

The Effective for the fiscal year ending June 30, 2022, the Center adopted provisions of Governmental Accounting Standards Board (GASB), Statement No. 87, Leases. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resource or outflows of resource based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resource, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Center has evaluated their lease activities and determined no leases meet the criteria of a long term lease.

12 Related Party

The Center is a component unit of the City of Clarksville. The City has provided support in the amount of \$465,644 and \$397,859 for the years end 2022 and 2021, respectively. The City owns the building where the Center operates. The city provides this space as an in-kind contribution to the Center. No amount has been recorded for this contribution.



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

To the Board of Directors
Clarksville Montgomery County Ajax Turner Senior Citizen's Center

We have audited, in accordance with the 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 the requirements prescribed by the Comptroller of the Treasury, State of Tennessee, as detailed in the Audit Manual, the financial statements of Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc. (the Center), a component of the City of Clarksville, Tennessee, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated September 30, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Thurman Campbell Group, PLC

Clarksville, Tennessee
September 30, 2022

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Schedule of Prior Year Findings and Responses
For the Fiscal Year Ended June 30, 2022**

There were no prior year findings reported.

**Clarksville Montgomery County
Ajax Turner Senior Citizen's Center, Inc.
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2022**

Financial Statement Findings

Our audit disclosed no findings that are required to be reported herein.