

Ajax Turner Senior Citizen's Center  
Financial Statements With Accompanying  
Years Ended June 30, 2007 and June 30, 2006  
and  
Report of Certified Public Accountants

Ajax Turner Senior Citizen's Center  
Years Ended June 30, 2007 and 2006

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INDEPENDENT AUDITOR'S REPORT

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

F. English Lacy  
Robert E. Yates, II  
Christopher C. Johns  
Paul S. Ellis  
Sandra K. Boyd  
Rick L. Davis

Kendra S. Bucciarelli  
Lawrence F. Campbell  
Stacy Boone

We have audited the accompanying statements of financial position of Clarksville-Montgomery County Ajax Turner Senior Citizen's Center, Inc. (a nonprofit organization) as of June 30, 2007 and June 30, 2006 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Clarksville-Montgomery County Ajax Turner Senior Citizen's Center, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our 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 Clarksville-Montgomery County Ajax Turner Senior Citizen's Center, Inc. as of June 30, 2007 and June 30, 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 31, 2007 on our consideration of Clarksville-Montgomery County Ajax Turner Senior Citizen's Center, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

August 31, 2007

*Thurman, Campbell & Co.*

Ajax Turner Senior Citizen's Center  
Statements of Financial Position  
As of June 30, 2007 and 2006

ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Cash	\$ 44,880	\$ 47,236
Accounts Receivable	12,908	8,927
Deposits & Prepaid Expenses	<u>6,971</u>	<u>5,468</u>
Total Current Assets	<u>64,759</u>	<u>61,631</u>
Property and Equipment	207,116	196,632
Less: Accumulated Depreciation	<u>(182,272)</u>	<u>(175,277)</u>
Net Property and Equipment	<u>24,844</u>	<u>21,355</u>
Other Assets, net	<u>136,859</u>	<u>153,471</u>
Total Other Assets	<u>136,859</u>	<u>153,471</u>
TOTAL ASSETS	<u>\$ 226,462</u>	<u>\$ 236,457</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 9,565	\$ 6,317
Accrued Liabilities	<u>10,779</u>	<u>9,461</u>
Total Current Liabilities	<u>20,344</u>	<u>15,778</u>
NET ASSETS		
Unrestricted	<u>206,118</u>	<u>220,679</u>
Total Net Assets	<u>206,118</u>	<u>220,679</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 226,462</u>	<u>\$ 236,457</u>

Ajax Turner Senior Citizen's Center  
Statements of Activities  
Years ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Unrestricted net assets:		
Local Support	\$ 231,854	\$ 208,503
Contributions	36,175	38,474
Program Service Fees	160,575	146,359
Fundraising	11,146	16,637
Other Income	<u>9,852</u>	<u>10,871</u>
Total Unrestricted Net Assets	449,602	420,844
Net Assets Released From Restrictions		
Grants Earned	<u>36,831</u>	<u>37,000</u>
Total Unrestricted Revenues and Other Support	<u>486,433</u>	<u>457,844</u>
Expenses:		
Program Services	408,037	389,338
Supporting Services	<u>92,957</u>	<u>91,035</u>
Total Expenses	<u>500,994</u>	<u>480,373</u>
Increase (Decrease) in Unrestricted Net Assets	<u>(14,561)</u>	<u>(22,529)</u>
Temporarily Restricted Net Assets:		
Grants	36,831	37,000
Net Assets Released Form Restrictions		
Grants Earned	<u>(36,831)</u>	<u>(37,000)</u>
Increase (Decrease) in Total Net Assets	(14,561)	(22,529)
Net Assets, Beginning of Year	<u>220,679</u>	<u>243,208</u>
Net Assets, End of Year	<u>\$ 206,118</u>	<u>\$ 220,679</u>

Ajax Turner Senior Citizen's Center  
Statements of Functional Expenses  
Years ended June 30, 2007 and 2006

	Program Services	Support Services	Totals Memorandum Only	
			2007	2006
Salaries and Fringe Benefits:				
Salaries	\$ 182,133	\$ 45,533	\$ 227,666	\$ 218,294
Fringe Benefits	26,395	6,599	32,994	33,627
Total Salaries and Related Expenses	208,528	52,132	260,660	251,921
Food	34,920	0	34,920	34,569
Fundraising	0	5,109	5,109	6,223
Band Fees	21,200	0	21,200	20,300
ADC and Other Services	22,525	0	22,525	12,419
Building Occupancy	22,259	5,565	27,824	27,824
Utilities	47,774	11,944	59,718	53,711
Transportation	2,224	556	2,780	2,274
Repairs and Maintenance	6,914	1,729	8,643	9,835
Supplies	8,367	2,092	10,459	3,544
Office Expense	5,790	1,447	7,237	11,439
Professional Fees	0	5,500	5,500	4,300
Insurance	8,650	2,162	10,812	18,458
Total Expenses Before Depreciation	389,151	88,236	477,387	456,817
Depreciation and Amortization	18,886	4,721	23,607	23,556
Total Functional Expenses	<u>\$ 408,037</u>	<u>\$ 92,957</u>	<u>\$ 500,994</u>	<u>\$ 480,373</u>

Ajax Turner Senior Citizen's Center  
Statements of Cash Flows  
For the Years Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Increase (Decrease) in Net Assets	\$ (14,561)	\$ (22,529)
Adjustments to reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Operating Activities:		
Depreciation and Amortization	23,607	23,556
Decrease (Increase) in:		
Accounts Receivable	(3,981)	(5,245)
Other	(1,503)	1,737
Increase (Decrease) in:		
Accounts Payable	3,248	(2,672)
Accrued Liabilities	<u>1,318</u>	<u>(1,854)</u>
Net Cash Provided By (Used in) Operating Activities	<u>8,128</u>	<u>(7,007)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	<u>(10,484)</u>	<u>(1,036)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(10,484)</u>	<u>(1,036)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Provided By (Used In) Financing Activities	<u>0</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,356)	(8,043)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>47,236</u>	<u>55,279</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 44,880</u>	<u>\$ 47,236</u>

Ajax Turner Senior Citizen's Center  
Notes to Financial Statements

**1 Summary of Significant Accounting Policies**

**Organization** - Clarksville-Montgomery County Ajax Turner Senior Citizen's Center, Inc. is a nonprofit Tennessee corporation whose purpose is to enrich the lives of citizens ages 55 and older. To accomplish this purpose the Association conducts lectures, educational programs, social events, craft programs and provides services to other non-profit organizations.

**Basis of Presentation** - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations and Statement of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. SFAS No. 116 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets.

**Revenue Recognition** - Support received is recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction. The Center reports any donor-restricted contributions whose restrictions are met in the same accounting period as unrestricted support.

**Donated Services** - The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

**Cash and Cash Equivalents** - For purposes of reporting cash flows, cash and cash equivalents include cash on hand, deposits in banks, and short-term, highly liquid investments, which are readily convertible into cash. Cash and cash equivalents designated for long-term purposes or received with donor-imposed restrictions limiting their use to long-term purposes are not considered cash and cash equivalents for purposes of the statement of cash flows.

**Income Taxes** - The organization is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code.

**Equipment** - Equipment is carried at cost. Depreciation is computed using the straight line method over the estimated useful lives of the respective assets.

**Combined Total Columns** - The combined total columns of the financial statements are captioned "Memo" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present results of operations in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund accounts have not been eliminated.

**Use of Accounting Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles 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.

**Functional Allocation of Expenses** - The Center's costs of providing the various programs and other activities have been summarized on a functional basis by department in the statements of functional expenses.



Ajax Turner Senior Citizen's Center  
Notes to Financial Statements

**2 Uninsured Cash Balances**

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

	June 30	
	2007	2006
Cash on hand	\$ 384	\$ 574
Cash in checking accounts	44,496	46,662
	<u>\$ 44,880</u>	<u>\$ 47,236</u>

The Center maintains cash balances at local financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$100,000. There were no cash balances not covered by FDIC insurance at June 30, 2007.

**3 Accounts Receivable**

The Center has extended credit to clients amounting to \$12,908 and \$8,927 at June 30, 2007 and 2006, respectfully. Management has evaluated the accounts receivable and believes that they are all collectible.

**4 Equipment**

Property, plant and equipment consists of:

	June 30		Estimated
	2007	2006	Useful lives
Equipment, furniture, and fixtures	\$ 167,896	\$ 157,412	5 - 10 years
Vehicles	39,220	39,220	5 years
	207,116	196,632	
Accumulated depreciation	<u>182,272</u>	<u>175,277</u>	
	<u>\$ 24,844</u>	<u>\$ 21,355</u>	

Depreciation expense totaled \$6,995 and \$6,944 for 2007 and 2006, respectively.

**5 Other Assets**

Other assets consist of:

	June 30	
	2007	2006
1998 Expansion contributions	\$ 140,270	\$ 140,270
2003 Expansion contributions	98,888	98,888
2005 Expansion contributions	<u>10,013</u>	<u>10,013</u>
	249,171	249,171
Accumulated amortization	<u>112,312</u>	<u>95,700</u>
	<u>\$ 136,859</u>	<u>\$ 153,471</u>

AJAX TURNER SENIOR CITIZEN'S CENTER, INC.  
NOTES TO THE FINANCIAL STATEMENTS

**5 Other Assets (Continued)**

The City retains ownership of the building and leases it to the Center under five year renewable contracts until the year 2008. Lease payments are one dollar per year. Due to expected lease renewals post year 2008, the Center's contribution will be amortized over fifteen years. Amortization expense totaled \$16,612 for 2007 and 2006, respectively.

**6 Retirement Plan**

The Center has a 401(k) Profit Sharing Plan that provides for a discretionary matching contribution. The Center contributes 3% of the employee's compensation for eligible participants. The Center's contribution was \$4,479 and \$4,386 for 2007 and 2006, respectfully.

**7 In-kind Contributions**

The use of the building has been furnished to the Center at less than market value by the City of Clarksville and Montgomery County. The free use of the facilities is recorded as direct support and a like amount is recorded as building occupancy expense.

**8 Economic Dependency**

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