

Clarksville Montgomery County

Ajax Turner Senior Citizen's Center, Inc.

Audited Financial Statements and Other Information

For the Years Ended June 30, 2021 and 2020

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**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Schedule of Board of Directors and Management (Unaudited)  
June 30, 2021**

**Board of Directors**

Mr. Howard Welch	Chair
Mr. Jimmy Parker	Vice Chair
Ms. Ronnie DeVault	Treasurer
Ms. Patricia Blair	Recording Secretary
Mr. Michael Williamson	Corresponding Secretary
Ms. Mary New	Board Member
Ms. Freda M. Colon	Board Member
Ms. Norma Deal	Board Member
Ms. Stephanie Mason	Board Member
Ms. De'Velma Dixon	Board Member
Ms. Patricia Wilkinson	Board Member
Mr. Nickalos Baker	Board Member
Mr. Jay Sack	Board Member
Mr. Jason Bell	Board Member

**Management**

Ms. Anita Atchley	Executive Director
Mr. Robert Thompson	Fiscal Director



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American Institute of  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors

Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc.

We have audited the accompanying financial statements of Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc., a component unit of the City of Clarksville, Tennessee, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise Ajax Turner Senior Citizen's Center, Inc.'s basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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 the requirements prescribed by the Comptroller of the Treasury, State of Tennessee, as detailed in the Audit Manual. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinions**

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, 2021 and 2020, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *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, 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*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clarksville Montgomery County Ajax Turner Senior Citizen's Center Inc.'s basic financial statements. The introductory section is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 7, 2021, on our consideration of Clarksville Montgomery County Ajax Turner Senior Citizen's Center Inc.'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 Clarksville Montgomery County Ajax Turner Senior Citizen's Center Inc.'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 Clarksville Montgomery County Ajax Turner Senior Citizen's Center Inc.'s internal control over financial reporting and compliance.

*Thurman Campbell Group, PLC*

Clarksville, TN  
September 7, 2021

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

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, 2021. 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 2021 and 2020 fiscal years by \$328,182 and \$272,102 net position respectively.
- The Center's total net position increased by \$56,080 for fiscal year ended June 30, 2021 and increased by \$70,271 for fiscal year ended June 30, 2020.

**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, 2021 and 2020**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Assets</b>			
Total Current Assets	\$ 326,502	\$ 262,522	\$ 125,742
Net Capital Assets	<u>89,211</u>	<u>96,943</u>	<u>91,210</u>
<b>Total Assets</b>	<u><u>\$ 415,713</u></u>	<u><u>\$ 359,465</u></u>	<u><u>\$ 216,952</u></u>
<b>Liabilities and Net Position</b>			
Total Current Liabilities	\$ 10,031	\$ 9,863	\$ 15,121
Total Long-Term Liabilities	<u>77,500</u>	<u>77,500</u>	<u>-</u>
<b>Net Position</b>			
Investment in Capital Assets	\$ 89,211	\$ 96,943	\$ 91,210
Unrestricted	<u>238,971</u>	<u>175,159</u>	<u>110,621</u>
Total Net Position	<u><u>\$ 328,182</u></u>	<u><u>\$ 272,102</u></u>	<u><u>\$ 201,831</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 \$328,182 and \$272,102 as of June 30, 2021 and 2020 respectively. The Center's net position increased by \$56,080 and \$70,271 for the fiscal year ended June 30, 2021 and 2020 respectively.

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Operating Revenues</b>			
Operating Grants and Local Support	\$ 469,722	\$ 525,106	\$ 497,240
Charges for Services	<u>8,732</u>	<u>161,840</u>	<u>210,017</u>
<b>Total Operating Revenues</b>	<u>478,454</u>	<u>686,946</u>	<u>707,257</u>
<b>Operating Expenses</b>			
Program Expenses	<u>422,374</u>	<u>616,675</u>	<u>669,830</u>
<b>Total Operating Expenses</b>	<u>422,374</u>	<u>616,675</u>	<u>669,830</u>
 <b>Change In Net Position</b>	 56,080	 70,271	 37,427
 <b>Net Position, Beginning of Year</b>	 <u>272,102</u>	 <u>201,831</u>	 <u>164,404</u>
 <b>Net Position, End of Year</b>	 <u><u>\$ 328,182</u></u>	 <u><u>\$ 272,102</u></u>	 <u><u>\$ 201,831</u></u>



**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2021 and 2020**

Business Type Activities

Business type activities increased the Center's net position by \$56,080. 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 while operating income and expenses were down due to the COVID shutdown.
- 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 \$89,211 and \$96,943 (net of accumulated depreciation) as of June 30, 2021 and 2020 respectively. This investment in capital assets includes leasehold improvements, furniture, equipment, and vehicles. The total decrease in the Center's investment in capital assets for the current fiscal year was 8 percent. Major capital asset increases during the current fiscal year included a new kiln for ceramics.

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, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 314,013	\$ 246,493
Accounts Receivable	8,033	10,988
Deposits and Prepaids	<u>4,456</u>	<u>5,041</u>
Total Current Assets	<u>326,502</u>	<u>262,522</u>
Capital Assets		
Property & Equipment	676,095	670,598
Less: Accumulated Depreciation	<u>(586,884)</u>	<u>(573,655)</u>
Net Capital Assets	<u>89,211</u>	<u>96,943</u>
<b>Total Assets</b>	<u><u>\$ 415,713</u></u>	<u><u>\$ 359,465</u></u>
 <b>Liabilities and Net Position</b>		
Current Liabilities		
Accounts Payable	\$ 4,458	\$ 2,918
Accrued Liabilities	<u>5,573</u>	<u>6,945</u>
Total Current Liabilities	<u>10,031</u>	<u>9,863</u>
 Long-Term Liabilities		
Notes Payable	<u>77,500</u>	<u>77,500</u>
Total Long-Term Liabilities	<u>77,500</u>	<u>77,500</u>
 <b>Net Position</b>		
Investment in Capital Assets	89,211	96,943
Unrestricted	<u>238,971</u>	<u>175,159</u>
Total Net Position	<u>328,182</u>	<u>272,102</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 415,713</u></u>	<u><u>\$ 359,465</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, 2021 and 2020**

	<u><b>2021</b></u>	<u><b>2020</b></u>
<b>Operating Revenues</b>		
Local Support	\$ 426,108	\$ 492,500
Contributions	2,242	21,413
Program Service Fees	6,490	138,759
Fundraising	-	1,668
Grants	<u>43,614</u>	<u>32,602</u>
<b>Total Operating Revenues</b>	<u>478,454</u>	<u>686,942</u>
<b>Operating Expenses</b>		
Salaries	226,782	332,089
Fringe Benefits	16,440	15,929
Payroll Taxes	18,058	26,725
Food	5,679	32,330
Fundraising	-	569
Band Fees	-	10,963
Building Occupancy	4,937	4,781
Utilities	78,274	93,794
Program Cost	11,737	28,311
Repairs and Maintenance	15,260	31,942
Supplies	113	680
Office Expenses	5,208	7,225
Professional Fees	13,941	10,800
Insurance	12,716	6,784
Depreciation	<u>13,229</u>	<u>13,749</u>
<b>Total Operating Expenses</b>	<u>422,374</u>	<u>616,671</u>
<b>Operating Income (Loss)</b>	<u>56,080</u>	<u>70,271</u>
<b>Change In Net Position</b>	56,080	70,271
<b>Net Position, Beginning of Year</b>	<u>272,102</u>	<u>201,831</u>
<b>Net Position, End of Year</b>	<u><u>\$ 328,182</u></u>	<u><u>\$ 272,102</u></u>

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Statements of Cash Flows  
Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities</b>		
Cash received from local support	\$ 426,108	\$ 492,500
Cash received from contributors	1,162	21,413
Cash received from customers	12,650	144,054
Cash received from fundraising	-	1,668
Cash received from grantors	43,614	32,606
Cash payments to suppliers for goods and services	(149,237)	(234,968)
Cash payments to employees for services	(261,280)	(374,743)
Net Cash Provided by (Used in) Operating Activities	<u>73,017</u>	<u>82,530</u>
 <b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of equipment	(5,497)	(19,482)
Proceeds from PPP loan	<u>-</u>	<u>77,500</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(5,497)</u>	<u>58,018</u>
 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	 67,520	 140,548
 <b>Cash and Cash Equivalents at Beginning of Period</b>	 <u>246,493</u>	 <u>105,945</u>
 <b>Cash and Cash Equivalents at Period End</b>	 <u><u>\$ 314,013</u></u>	 <u><u>\$ 246,493</u></u>

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Statements of Cash Flows (Continued)  
Years Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Reconciliation of Operating Income</b>		
<b>(Loss) to Net Cash Provided By</b>		
<b>Operating Activities</b>		
Operating income (loss)	\$ 56,080	\$ 70,271
Adjustments to reconcile operating income (loss) to net cash provided by (used in) Operating Activities:		
Depreciation	13,229	13,749
(Increase) decrease in account receivable	2,955	459
(Increase) decrease in deposits and prepaids	585	3,309
Increase (decrease) in accounts payable	1,540	1,527
Increase (decrease) in accrued liabilities	<u>(1,372)</u>	<u>(6,785)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 73,017</u>	<u>\$ 82,530</u>

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Notes to Financial Statements  
June 30, 2021 and 2020**

**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.

**Clarksville Montgomery County**  
**Ajax Turner Senior Citizen's Center, Inc.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

**1 Summary of Significant Accounting Policies (continued)**

**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, 2021.

**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.

**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, 2021 and 2020**

**2 Cash Deposits (continued)**

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

	June 30,	
	2021	2020
Cash on hand	\$ 880	\$ 880
Cash in checking accounts	313,133	245,613
	\$ 314,013	\$ 246,493

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, 2021, \$72,747 was uninsured. It is of the opinion of management that the solvency of the financial institution is not of particular concern at this time. As of June 30, 2020, all cash accounts were covered by insurance provided by the FDIC.

**3 Accounts Receivable**

The Center has accounts receivable that consists primarily of support due from the GNRC, amounting to \$8,033 and \$10,988 at June 30, 2021 and 2020, 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			Balance	Estimated
	June 30, 2020	Additions	Deletions	June 30, 2021	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)	
	\$ 96,943	\$ (7,732)	\$ -	\$ 89,211	



**Clarksville Montgomery County**  
**Ajax Turner Senior Citizen's Center, Inc.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

**4 Capital Assets (continued)**

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Estimated Useful Lives
Equipment, furniture, and fixtures	\$ 316,869	\$ 6,601	\$ -	\$ 323,470	5-10 years
Vehicles	39,801	-	-	39,801	5 years
Leasehold improvements	294,446	12,881	-	307,327	15 years
	651,116	19,482	-	670,598	
Less accumulated depreciation	(559,906)	(13,749)	-	(573,655)	
Net Capital Assets	<u>\$ 91,210</u>	<u>\$ 5,733</u>	<u>\$ -</u>	<u>\$ 96,943</u>	

Depreciation expense totaled \$13,229 and \$13,749 for June 30, 2021 and 2020, respectively.

The City owns the Center's building and leases it to the Center on a month to month basis. Lease payments are one dollar per year. Due to expected lease renewals the Center's leasehold improvements will be depreciated over fifteen years.

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. Although, due to lease expirations, the Center's building lease is on a month to month status, the Center has elected to depreciate leasehold improvements over their estimated useful lives. It is anticipated that this lease arrangement will continue indefinitely.

Should this lease arrangement not be continued, it is likely that these leasehold improvements would be surrendered to the City. A loss contingency has not been accrued because management believes the likelihood of this lease being cancelled is remote.

**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 7, 2021, the date which the financial statements were available to be issued.

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Notes to Financial Statements (Continued)  
June 30, 2021 and 2020**

**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, 2021 and June 30, 2020 the balance of the fund was \$29,378 and \$24,944, respectively. Grants received from the Foundation were \$0 and \$1,300 for the years ended June 30, 2021 and 2020.

**10 Long-Term Debt**

The following is a summary of changes to long-term liabilities during the year ended June 30, 2021.

Description	Balance 6/30/2020	Added	Paid	Balance 6/30/2021	Due Within One Year
PPP Loan	\$ 77,500	\$ -	\$ -	\$ 77,500	\$ 14,073

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").

It is intended that loans funded through the Paycheck Protection Program may be forgiven. SBA has advised that these loans will be fully forgiven if employees of the Borrower are kept on the payroll for eight (or twenty-four) weeks, the funds are used for payroll costs, interest on mortgages, rent, and utilities (due to likely high subscription, at least 60% of the forgiven amount must have been used for payroll). Loan payments will also be deferred for sixteen (16) months. No collateral or personal guarantees are required by the Center, but the Center is responsible for repayment of any portion of the loan that is not forgiven, payable in forty-four (44) equal installments commencing sixteen (16) months from the date the loan is funded. Neither the government nor lenders will charge small businesses any fees. Forgiveness is based on the employer maintaining or quickly rehiring employees and maintaining salary levels and providing paper and complete documentation of those expenses as may be required by SBA. Forgiveness

**Clarksville Montgomery County**  
**Ajax Turner Senior Citizen's Center, Inc.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2021 and 2020**

**10 Long-Term Debt (continued)**

will be reduced if full-time employee headcount declines or if salaries and wages decrease, or if expense documentation does not comply with SBA requirements.

The SBA has guaranteed the PPP loan on behalf of the Center. The Center is not required to repay the SBA for any payments the SBA makes pursuant to this guarantee. This arrangement is considered a nonexchange financial guarantee. According to Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees", when an entity that has issued an obligation that has received a nonexchange financial guarantee is legally released as an obligor from the obligation and from any liability to the guarantor, the government should recognize revenue to the extent of the reduction of its guaranteed liabilities. Based on this guidance and the fact that the Center has not been legally released from the debt related to the PPP loan as of June 30, 2021, the PPP loan proceeds have been recorded as a liability on the statement of net position. The Center and the SBA have made no principal and interest payments on the PPP loan during the fiscal year ended June 30, 2021. The outstanding principal amount of the SBA guaranteed debt is \$77,500 as of June 30, 2021.

Below is a condensed schedule of maturities for long-term debt and obligations as of June 30, 2021.

<u>Year Ending</u> <u>June 30,</u>	<u>Interest</u> <u>Payments</u>	<u>Principal</u> <u>Payments</u>	<u>Total</u> <u>Payments</u>
2022	\$ 476	\$ 14,073	\$ 14,549
2023	537	21,285	21,822
2024	323	21,499	21,822
2025	107	20,643	20,750
2026	-	-	-
Total	<u>\$ 1,443</u>	<u>\$ 77,500</u>	<u>\$ 78,943</u>

Below is a schedule of changes in long-term debt by individual issue as of June 30, 2021.

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



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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 years ended June 30, 2021 and June 30, 2020, 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 7, 2021.

**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) to determine the 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 7, 2021

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Schedule of Prior Year Findings and Responses  
For the Fiscal Year Ended June 30, 2020**

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, 2021**

Financial Statement Findings

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