

Ajax Turner Senior Citizen's Center
Financial Statements With Accompanying
Years Ended June 30, 2008 and June 30, 2007
and
Report of Certified Public Accountants

Ajax Turner Senior Citizen's Center
Years Ended June 30, 2008 and 2007

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THURMAN, CAMPBELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL SERVICE CORPORATION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of Ajax Turner Senior Citizen's Center, Inc. (a nonprofit organization) as of June 30, 2008 and June 30, 2007 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the 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 Ajax Turner Senior Citizen's Center, Inc. as of June 30, 2008 and June 30, 2007, 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 December 5, 2008 on our consideration of 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.

Thurman Campbell & Co. CPAs

December 5, 2008

Ajax Turner Senior Citizen's Center

Statements of Financial Position

As of June 30, 2008 and 2007

ASSETS

| | <u>2008</u> | <u>2007</u> |
|--------------------------------|-------------------|-------------------|
| CURRENT ASSETS | | |
| Cash | \$ 40,374 | \$ 44,880 |
| Accounts Receivable | - | 12,908 |
| Deposits & Prepaid Expenses | <u>6,971</u> | <u>6,971</u> |
| Total Current Assets | <u>47,345</u> | <u>64,759</u> |
| Property and Equipment | 225,859 | 207,116 |
| Less: Accumulated Depreciation | <u>(188,245)</u> | <u>(182,272)</u> |
| Net Property and Equipment | <u>37,614</u> | <u>24,844</u> |
| Other Assets, net | <u>120,247</u> | <u>136,859</u> |
| Total Other Assets | <u>120,247</u> | <u>136,859</u> |
| TOTAL ASSETS | <u>\$ 205,206</u> | <u>\$ 226,462</u> |

LIABILITIES AND NET ASSETS

| | | |
|----------------------------------|-------------------|-------------------|
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 7,408 | \$ 9,565 |
| Accrued Liabilities | <u>800</u> | <u>10,779</u> |
| Total Current Liabilities | <u>8,208</u> | <u>20,344</u> |
| NET ASSETS | | |
| Unrestricted | <u>196,998</u> | <u>206,118</u> |
| Total Net Assets | <u>196,998</u> | <u>206,118</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 205,206</u> | <u>\$ 226,462</u> |

See Accompanying Notes to Financial Statements and Independent Auditor's Report.

Ajax Turner Senior Citizen's Center
Statements of Activities
Years ended June 30, 2008 and 2007

| | <u>2008</u> | <u>2007</u> |
|--|-------------------|-------------------|
| Unrestricted net assets: | | |
| Local Support | \$ 310,000 | \$ 231,854 |
| Contributions | 31,777 | 36,175 |
| Program Service Fees | 153,729 | 160,575 |
| Fundraising | 13,768 | 11,146 |
| Other Income | <u>10,254</u> | <u>9,852</u> |
| Total Unrestricted Net Assets | 519,528 | 449,602 |
| Net Assets Released From Restrictions | | |
| Grants Earned | <u>41,981</u> | <u>36,831</u> |
| Total Unrestricted Revenues and Other Support | <u>561,509</u> | <u>486,433</u> |
| Expenses: | | |
| Program Services | 458,946 | 408,037 |
| Supporting Services | <u>111,683</u> | <u>92,957</u> |
| Total Expenses | <u>570,629</u> | <u>500,994</u> |
| Increase (Decrease) in Unrestricted Net Assets | <u>(9,120)</u> | <u>(14,561)</u> |
| Temporarily Restricted Net Assets: | | |
| Grants | 41,981 | 36,831 |
| Net Assets Released Form Restrictions | | |
| Grants Earned | <u>(41,981)</u> | <u>(36,831)</u> |
| Increase (Decrease) in Total Net Assets | (9,120) | (14,561) |
| Net Assets, Beginning of Year | <u>206,118</u> | <u>220,679</u> |
| Net Assets, End of Year | <u>\$ 196,998</u> | <u>\$ 206,118</u> |

See Accompanying Notes to Financial Statements and Independent Auditor's Report.

Ajax Turner Senior Citizen's Center
Statements of Functional Expenses
Years ended June 30, 2008 and 2007

| | Program Services | Support Services | Totals Memorandum Only | |
|-------------------------------------|---------------------|---------------------|---------------------------|-------------------|
| | | | 2008 | 2007 |
| Salaries and Fringe Benefits: | | | | |
| Salaries | \$ 227,562 | \$ 56,890 | \$ 284,452 | \$ 227,666 |
| Fringe Benefits | 32,702 | 8,175 | 40,877 | 32,994 |
| Total Salaries and Related Expenses | 260,263 | 65,066 | 325,329 | 260,660 |
| Food | 38,987 | - | 38,987 | 34,920 |
| Fundraising | - | 5,273 | 5,273 | 5,109 |
| Band Fees | 20,500 | - | 20,500 | 21,200 |
| ADC and Other Services | 420 | - | 420 | 22,525 |
| Building Occupancy | 27,311 | 6,828 | 34,139 | 27,824 |
| Utilities | 47,694 | 11,924 | 59,618 | 59,718 |
| Transportation | 17,503 | 4,376 | 21,879 | 2,780 |
| Repairs and Maintenance | 11,309 | 2,827 | 14,136 | 8,643 |
| Supplies | 5,134 | 1,283 | 6,417 | 10,459 |
| Office Expense | 2,722 | 681 | 3,403 | 7,237 |
| Professional Fees | - | 6,650 | 6,650 | 5,500 |
| Insurance | 9,034 | 2,259 | 11,293 | 10,812 |
| Total Expenses Before Depreciation | 440,878 | 107,166 | 548,044 | 477,387 |
| Depreciation and Amortization | 18,068 | 4,517 | 22,585 | 23,607 |
| Total Functional Expenses | <u>\$ 458,946</u> | <u>\$ 111,683</u> | <u>\$ 570,629</u> | <u>\$ 500,994</u> |

Ajax Turner Senior Citizen's Center
Statements of Cash Flows
For the Years Ended June 30, 2008 and 2007

| | <u>2008</u> | <u>2007</u> |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net Increase (Decrease) in Net Assets | \$ (9,120) | \$ (14,561) |
| Adjustments to reconcile Change in Net Assets to Net Cash | | |
| Provided (Used) by Operating Operating Activities: | | |
| Depreciation and Amortization | 22,585 | 23,507 |
| Decrease (Increase) in: | | |
| Accounts Receivable | 12,908 | (3,981) |
| Other | - | (1,503) |
| Increase (Decrease) in: | | |
| Accounts Payable | (2,157) | 3,248 |
| Accrued Liabilities | <u>(9,979)</u> | <u>1,318</u> |
| Net Cash Provided By (Used in) | | |
| Operating Activities | <u>14,237</u> | <u>8,128</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital Expenditures | <u>(18,743)</u> | <u>(10,484)</u> |
| Net Cash Provided By (Used In) | | |
| Investing Activities | <u>(18,743)</u> | <u>(10,484)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net Cash Provided By (Used In) | | |
| Financing Activities | <u>-</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH | | |
| AND CASH EQUIVALENTS | (4,506) | (2,356) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | <u>44,880</u> | <u>47,236</u> |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | <u>\$ 40,374</u> | <u>\$ 44,880</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.

Property and Equipment - The Organization capitalizes all expenditures in excess of \$500 for property and equipment at cost. Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor stipulations regarding how long the contributed assets must be used, the Organization has adopted a policy of implying a time restriction on contributions of such assets that expires over the assets' useful lives. As a result, all contributions of property and equipment, and of assets contributed to acquire property and equipment, are recorded as restricted support.

Depreciation 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 Organization's policy is to recognize these costs when actually paid.

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.

Ajax Turner Senior Citizen's Center
Notes to Financial Statements

1 Summary of Significant Accounting Policies (Continued)

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

2 Uninsured Cash Balances

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

| | June 30 | |
|---------------------------|------------------|------------------|
| | 2008 | 2007 |
| Cash on hand | \$ 504 | \$ 384 |
| Cash in checking accounts | 39,870 | 44,496 |
| | <u>\$ 40,374</u> | <u>\$ 44,880</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, 2008.

3 Accounts Receivable

The Center has extended credit to clients amounting to \$0 and \$12,908 at June 30, 2008 and 2007, 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 |
|------------------------------------|------------------|------------------|--------------|
| | 2008 | 2007 | Useful lives |
| Equipment, furniture, and fixtures | \$ 186,639 | \$ 167,896 | 5 - 10 years |
| Vehicles | 39,220 | 39,220 | 5 years |
| | 225,859 | 207,116 | |
| Less accumulated depreciation | <u>188,245</u> | <u>182,272</u> | |
| | <u>\$ 37,614</u> | <u>\$ 24,844</u> | |

Depreciation expense totaled \$5,973 and \$6,995 for 2008 and 2007, respectively.

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

5 Other Assets

Other assets consist of:

| | June 30 | |
|------------------------------|-------------------|-------------------|
| | 2008 | 2007 |
| 1998 Expansion contributions | \$ 140,270 | \$ 140,270 |
| 2003 Expansion contributions | 98,888 | 98,888 |
| 2005 Expansion contributions | 10,013 | 10,013 |
| | 249,171 | 249,171 |
| Accumulated amortization | 128,924 | 112,312 |
| | <u>\$ 120,247</u> | <u>\$ 136,859</u> |

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 2008 and 2007, 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 \$11,621 and \$4,479 for 2008 and 2007, 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.