

WILSON COUNTY CIVIC LEAGUE, INC.

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

For the Year ended December 31, 2005



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To the Board of Directors of
Wilson County Civic League, Inc.
Lebanon, Tennessee

We have compiled the accompanying statement of financial position of Wilson County Civic League, Inc. (a nonprofit organization) as of December 31, 2005, and the related statements of activities, functional expenses, and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Royce A. Belcher, CPA

June 30, 2006

WILSON COUNTY CIVIC LEAGUE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2005

Assets

Current Assets

Cash in Bank	\$ 255,637
Prepaid Insurance	4,418
Rent Receivable	<u>4,122</u>
Total Current Assets	<u>264,177</u>

Property and Equipment

Land and Building	208,721
Building Improvements	46,500
Equipment and Fixtures	14,130
Land-THDA	38,128
Building-THDA	752,617
Van	2,549
Building-Market Street Apartments	<u>934,411</u>
	1,997,056
Less: Accumulated Depreciation	<u>(532,621)</u>
Net Property and Equipment	<u>1,464,435</u>

Other Assets

Loan Origination Fees, Net	1,155
Certificates of Deposit	<u>172,291</u>
Total Other Assets	<u>173,446</u>
Total Assets	<u>\$1,902,058</u>

The accompanying notes are an integral part of these financial statements.

WILSON COUNTY CIVIC LEAGUE, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2005

Liabilities and Net Assets

Current Liabilities

Current Portion of Long-term Debt	\$ <u>12,621</u>
Total Current Liabilities	<u>12,621</u>

Long-Term Debt

Notes Payable	510,612
Less: Current Portion	<u>(12,621)</u>
Total Long-term Debt	<u>497,991</u>
Total Liabilities	<u>510,612</u>

Net Assets

Unrestricted	1,379,446
Temporarily Restricted	<u>12,000</u>
Total Net Assets	<u>1,391,446</u>
Total Liabilities and Net Assets	<u>\$1,902,058</u>

The accompanying notes are an integral part of these financial statements.

WILSON COUNTY CIVIC LEAGUE, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2005

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
<u>Public Support and Revenue:</u>			
Public Support	\$ <u>34,967</u>	\$ <u>100,000</u>	\$ <u>134,967</u>
Total Public Support	<u>34,967</u>	<u>100,000</u>	<u>134,967</u> ✓
<u>Revenue:</u>			
Rental	126,001	-	126,001 ✓
Interest	7,574	-	7,574 ✓
Fundraising	20,438	-	20,438 ✓
Dues	<u>389</u>	<u>-</u>	<u>389</u> ✓
Total Revenue	<u>154,402</u>	<u>-</u>	<u>154,402</u>
Total Support and Revenue	<u>189,369</u>	<u>-</u>	<u>289,369</u>
Fulfillment of Grant Obligations	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>
Adjusted Support & Revenue	289,369	100,000	289,369
<u>Expenses:</u>			
Program Services	217,076	-	217,076 ✓
Supporting Services	<u>20,183</u>	<u>-</u>	<u>20,183</u> ✓
Total Expenses	<u>237,259</u>	<u>-</u>	<u>237,259</u>
Excess (Deficiency) of Public Expenses Over Support and Revenue	52,110	-	52,110 ✓
Net Assets, Beginning of Year	<u>1,327,336</u>	<u>12,000</u>	<u>1,339,336</u>
Net Assets, End of Year	\$ <u>1,379,446</u>	\$ <u>12,000</u>	\$ <u>1,391,446</u>

The accompanying notes are an integral part of these financial statements.

WILSON COUNTY CIVIC LEAGUE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2005

	Program Services		
	Community Services	Rental Services	Total
Bad Debt Expense	\$ -	\$ 998	\$ 998
Automobile Expense		2,216	2,216
Bank Service Charges	10	-	10
Advertising	143	241	384
Utilities	8,984	4,053	13,037
Insurance	750	7,971	8,721
Donations to Organizations and Individuals	2,375	-	2,375
Building Repairs and Maintenance	8,579	9,043	17,622
Building Supplies and Programs	24,498	939	25,437
Taxes and Licenses	-	16,465	16,465
Interest Expense	-	30,425	30,425
Outside Services	9,771	9,771	19,542
Office Expense	140	444	584
Fundraising	5,431	-	5,431
Professional Fees	563	1,935	2,498
Total Expenses Before Depreciation and Amortization	61,244	84,501	145,745
Amortization		-	-
Depreciation	10,339	60,992	71,331
Total Expenses	\$ 71,583	\$ 145,493	\$ 217,076

The accompanying notes are an integral part of these financial statements

Supporting Services

<u>Management & General</u>	<u>Total (Memo Only)</u>
\$ -	\$ 998
	2,216
233	243
-	384
1,272	14,309
5,361	14,082
-	2,375
-	17,622
2,086	27,523
45	16,510
-	30,425
9,772	29,314
360	944
-	5,431
-	2,498
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19,129	164,874
-	-
1,054	72,385
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<u>\$ 20,183</u>	<u>\$ 237,259</u>

The accompanying notes are an integral part of these financial statements

WILSON COUNTY CIVIC LEAGUE, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2005

Cash Flows From Operating Activities:	
Increase in Net Assets	\$ 52,110
Adjustments to Reconcile Increase in Net Assets to Cash Provided by Operating Activities	
Depreciation	72,385
(Increase) Decrease In:	
Rent Receivable-Net	18
Prepaid Expenses	<u>659</u>
Net Cash Provided By Operating Activities	125,172
Cash Flows from Financing Activities:	
Principal Payments on Notes Payable	(19,882)
Net Cash Provided By Financing Activities	(19,882)
Cash Flows From Investing Activities:	
Acquisition of Property & Equipment	<u>(25,591)</u>
Net Cash (Used By) Investing Activities	<u>(25,591)</u>
Net Decrease in Cash and Cash Equivalents	79,699
Cash and Cash Equivalents, Beginning of Year	<u>175,938</u>
Cash and Cash Equivalents, End of Year	\$ <u>255,637</u>

The accompanying notes are an integral part of these financial statements.

WILSON COUNTY CIVIC LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Wilson County Civic League is a United Way of America sponsored organization promoting educational activities directed at the sound development of economic, recreational and social aspects of the community and reducing prejudice and discrimination.

Basis of Accounting

The financial statements of the Organization have been prepared utilizing the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. 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 assets, and permanently restricted net assets.

Contributions

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Under SFAS No. 116, time-restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction.

Promises To Give

Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

WILSON COUNTY CIVIC LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS-CONTINUED
December 31, 2005

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributed Services

During the year ended December 31, 2005, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Revenue Recognition

Support received under grants and contracts with the United States Government and local governments is recorded as other revenue in the temporarily restricted fund when the related direct costs are incurred.

Land, Buildings and Equipment

Land, buildings and equipment are stated at cost, less accumulated depreciation. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets.

Income Tax Status

The Organization qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, and therefore, has no provision for federal income taxes presented in the financial statements.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred and have been summarized on the statement of functional expenses. Any program expenditures not directly chargeable are allocated among the programs and supported services benefited.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash consists of cash on hand and in banks, including money market funds, and certificates with the original maturities of less than 90 days.

WILSON COUNTY CIVIC LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS-CONTINUED
December 31, 2005

NOTE 2-DESCRIPTION OF PROGRAMS

Community Services

The Organization promotes educational activities including a senior citizen's program, a tutoring program and other programs to develop economic, social and recreational aspects of the community and reduce prejudice and discrimination.

NOTE 3- RECEIVABLES

Rent receivable consists of rent charged to tenants for the current or prior fiscal years not received as of December 31, 2005.

NOTE 4- NOTES PAYABLE AND LONG-TERM DEBT

Notes payable at December 31, 2005 consist of the following:

Note payable to bank secured by certain real property, payable in monthly installments of \$1538.91 including interest at 6%, due July, 2028.	\$ 204,092
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Note payable to bank secured by certain real property, payable in monthly installments of \$1331.46 including interest at 6%, due August, 2032.	210,558
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Note payable to bank secured by certain real property, payable in monthly installments of \$722.23 including interest at 7%, due September, 2027.	<u>95,962</u>
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	510,612
Less: Current Portion	<u>(12,621)</u>

\$ 497,991

WILSON COUNTY CIVIC LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS-CONTINUED
December 31, 2005

NOTE 4- NOTES PAYABLE AND LONG-TERM DEBT-CONTINUED

Future maturities are as follows:

Due Fiscal Year
Ended December 31,

2006	\$ 12,621
2007	13,420
2008	14,270
2009	15,638
2010	17,015
Thereafter	<u>437,648</u>
	<u>\$510,612</u>

NOTE 5- RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Contributions for next fiscal year	
Operations and programs	<u>\$12,000</u>

NOTE 6- LEASES

The Organization owns several rental properties that are rented to low-income individuals. Leases are typically for one year and monthly rent varies from unit to unit. Some tenants are eligible to receive Section 8 rental assistance. This assistance is paid directly to the Organization and the tenant pays the remainder of the rent. Rents are due on the first of each month. Rent received under these leases amounted to \$125,516 for the fiscal year ended December 31, 2005.

WILSON COUNTY CIVIC LEAGUE, INC.
NOTES TO FINANCIAL STATEMENTS-CONTINUED
December 31, 2005

NOTE 7- CONCENTRATION OF CREDIT RISK FOR CASH HELD AT BANKS

The Organization maintains cash balances and certificates of deposit at several banks. Accounts at each bank are insured by the Federal Deposit Insurance Corporation up to \$100,000. Bank balances at December 31, 2005 are categorized as follows:

Deposits in Financial Institutions Covered by FDIC Insurance	\$133,217
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Deposits in the Financial Institutions Exceeding FDIC Insurance Limits and Not Collateralized through a Pledge of Assets	<u>294,711</u>
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Total Cash and Certificates of Deposits in Banks	\$ <u>427,928</u>
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END OF NOTES