



**MAURY COUNTY
SENIOR CITIZENS, INC.**

**CENTER OPERATIONS
FINANCIAL STATEMENTS**

JUNE 30, 2011 and 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Maury County Senior Citizens, Inc.
PO Box 993
Columbia, TN 38402-0993

I have audited the accompanying statement of assets, liabilities, and net assets of Maury County Senior Citizens, Inc. (a not for profit corporation) – Center Operations as of June 30, 2011 and 2010, and the related statements of revenues and expenses and changes in net assets, functional expenses, and cash flows for the years then ended. The Center Operations are further described in Note 1. These Center Operations financial statements are the responsibility of the management of the Organization. My responsibility is to express an opinion on the Center Operations' financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the Center Operation' financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the Center Operations' financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As explained in Note 6 to the financial statements, Maury County Senior Citizens, Inc. is required to include in its financial statements the transportation program. Management has elected to make a footnote disclosure instead of including the transportation program in the basic financial statements, which in my opinion is not in accordance with accounting principles generally accepted in the United States of America. If the transportation program was included, net assets at June 30, 2011 and 2010 would increase by \$195,066 and \$160,541 respectively.

In my opinion, except for the effects of not including the transportation program discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Maury County Senior Citizens, Inc. – Center Operations as of June 30, 2011 and 2010, 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.



Joe Osterfeld, CPA
Columbia, Tennessee
August 21, 2012

MAURY COUNTY SENIOR CITIZENS, INC. - CENTER OPERATIONS
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
JUNE 30, 2010 and 2011

ASSETS

	<u>2011</u>	<u>2010</u>
Current Assets:		
Cash	\$ 99,927	\$ 64,636
Transfer to transportation	-	20,000
Total current assets	<u>99,927</u>	<u>84,636</u>
Leasehold Improvements and Equipment	81,081	81,081
Less: accumulated depreciation	<u>(75,787)</u>	<u>(73,017)</u>
Total leasehold improvements and equipment	<u>5,294</u>	<u>8,064</u>
Total assets	<u>\$ 105,221</u>	<u>\$ 92,700</u>

LIABILITIES AND NET ASSETS

Current Liabilities		
Accrued expenses	\$ 2,252	\$ 2,545
Total current liabilities	<u>2,252</u>	<u>2,545</u>
Net Assets:		
Unrestricted net assets	74,942	57,552
Temporarily restricted net assets	<u>28,027</u>	<u>32,603</u>
Total net assets	<u>102,969</u>	<u>90,155</u>
Total liabilities and net assets	<u>\$ 105,221</u>	<u>\$ 92,700</u>

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

MAURY COUNTY SENIOR CITIZENS, INC. - CENTER OPERATIONS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2010 and 2011

	<u>Unrestricted</u>	<u>2011</u> <u>Temporarily</u> <u>Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>2010</u> <u>Temporarily</u> <u>Restricted</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT						
Awards		\$ 42,650	\$ 42,650		\$ 42,938	\$ 42,938
Local government contributions	86,601		86,601	90,951		90,951
Fund raisers	37,947		37,947	117,056		117,056
United Way contributions	11,954		11,954	13,010		13,010
In kind support	44,287		44,287	44,287		44,287
Interest income	172	-	172	202	-	202
Other income	579	-	579	7,268	-	7,268
Net assets released from restrictions:			-			-
Satisfaction of program restrictions	47,226	(47,226)	-	46,874	(46,874)	-
Total revenues and other support	228,766	(4,576)	224,190	319,648	(3,936)	315,712
EXPENSES						
Program services	194,687		194,687	194,078		194,078
Fund raising	16,689		16,689	96,712		96,712
Total expenses	211,376	-	211,376	290,790	-	290,790
Increase in net assets	17,390	(4,576)	12,814	28,858	(3,936)	24,922
Net assets, beginning of year	57,552	32,603	90,155	28,694	36,539	65,233
Net assets, end of year	\$ 74,942	\$ 28,027	\$ 102,969	\$ 57,552	\$ 32,603	\$ 90,155

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

MAURY COUNTY SENIOR CITIZENS, INC. - CENTER OPERATIONS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Program Services</u>					<u>Support Services</u>	
	<u>Center Operations</u>	<u>Local Operations</u>	<u>FEMA Nutrition</u>	<u>Health Promotion</u>	<u>Information & Advice</u>	<u>Fund Raising</u>	<u>Total</u>
Salaries	\$ 41,254	\$ 16,190		\$ 604			\$ 58,048
Payroll taxes	3,587	1,408		52			5,047
Accounting services	7,397	-		-	-	-	7,397
Advertising	499	90		150			739
Communications	4,906	183		-	\$ 1,111		6,200
Depreciation expense	-	2,770		-	-		2,770
In kind expenses	-	44,287		-	-	-	44,287
Insurance	4,771	955		-	-	-	5,726
Other expense	770	3,781		-	-	-	4,551
Repairs & maintenance	1,634	49		-	-	-	1,683
Supplies	11,730	12,158	\$ 11,197	1,269	-	-	36,354
Transportation program transfer	-	20,000		-	-		20,000
Travel	1,458	418	-	9	-	-	1,885
Trip expense	-	-		-	-	\$ 16,689	16,689
Total expenses	<u>\$ 78,006</u>	<u>\$ 102,289</u>	<u>\$ 11,197</u>	<u>\$ 2,084</u>	<u>\$ 1,111</u>	<u>\$ 16,689</u>	<u>\$ 211,376</u>

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

MAURY COUNTY SENIOR CITIZENS, INC. - CENTER OPERATIONS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

	Program Services					Support	Total
	<u>Center</u> <u>Operations</u>	<u>Local</u> <u>Operations</u>	<u>FEMA</u> <u>Nutrition</u>	<u>Health</u> <u>Promotion</u>	<u>Information</u> <u>& Advice</u>	<u>Services</u> <u>Fund</u> <u>Raising</u>	
Salaries	\$ 41,733	\$ 21,632		\$ 624			\$ 63,989
Payroll taxes	3,629	1,881		54			5,564
Accounting services	5,212	1,750		-	-	-	6,962
Advertising	435	408		-			843
Communications	3,992	-		-	\$ 1,111		5,103
Depreciation expense	-	2,953		-	-		2,953
In kind expenses	-	44,287		-	-	-	44,287
Insurance	2,547	1,160		-	-	-	3,707
Other expense	1,507	1,053		-	-	-	2,560
Repairs & maintenance	2,098	-		-	-	-	2,098
Supplies	12,258	7,453	\$ 12,702	979	-	-	33,392
Transportation program transfer	-	20,000		-	-		20,000
Travel	2,334	286	-	-	-	-	2,620
Trip & fund raising expenses	-	-		-	-	\$ 96,712	96,712
Total expenses	<u>\$ 75,745</u>	<u>\$ 102,863</u>	<u>\$ 12,702</u>	<u>\$ 1,657</u>	<u>\$ 1,111</u>	<u>\$ 96,712</u>	<u>\$ 290,790</u>

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

MAURY COUNTY SENIOR CITIZENS, INC. - CENTER OPERATIONS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 12,814	\$ 24,922
Adjustments to reconcile increase in net assets to to net cash provided (used) by operations:		
Depreciation	2,770	2,953
Increase (decrease) in transfer to transportation	20,000	(20,000)
Increase (decrease) in accrued expenses	(293)	281
Total cash provided (used) by operations	<u>35,291</u>	<u>8,156</u>
INVESTING ACTIVITIES:		
Total cash provided (used) by investing activities	<u>-</u>	<u>-</u>
FINANCING ACTIVITIES:		
Total cash provided (used) by financing activities	<u>-</u>	<u>-</u>
Increase (decrease) in cash	<u>35,291</u>	<u>8,156</u>
Beginning cash balance	64,636	56,480
Ending cash balance	<u>\$ 99,927</u>	<u>\$ 64,636</u>

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

MAURY COUNTY SENIOR CITIZENS, INC. – CENTER OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

General

Maury County Senior Citizens, Inc. (the Center), a Tennessee not-for-profit corporation operates a multi funded locally directed senior citizens center in Columbia, Tennessee whose primary service area is Maury County, Tennessee. The Center also provides transportation, health promotion, information and referral services primarily but not limited to senior citizens. Supportive services include management and general expenses and fund raising expenses not directly identifiable to any program, but indispensable to these activities and to the Center's existence. A board of directors governs the Center. See Note 6 for further information on the transportation program which is excluded from these financial statements.

Basis of Accounting

The financial statements of Maury County Senior Citizens, Inc. have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, accounts payable, and other liabilities.

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". Under SFAS No. 117, the Center 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.

Cash, Cash Equivalents, and Credit Risk

For the purposes of the statement of cash flows, cash and cash equivalents are defined as all cash on hand and deposited in FDIC insured bank accounts including certificates of deposit. At June 30, 2011 and 2010, the Center had no bank deposits exceeding the \$250,000 FDIC deposit insurance coverage.

Accounts Receivable

Accounts receivable are stated at their net realizable value. All receivables are considered collectable by management.

Donated Services

The Center records donated services when they create or enhance a non-financial asset or for specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated.

MAURY COUNTY SENIOR CITIZENS, INC. – CENTER OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

Donations of Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. The Center reports these donations as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how these long lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Center transfers temporarily restricted net assets to unrestricted net assets at that time.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Fair Values of Financial Instruments

Financial instruments of the Center include cash and accounts receivable. Management estimates that the fair value of all financial instruments at fiscal year end does not differ materially from the carrying values of the financial instruments recorded in the accompanying balance sheet.

Income Tax Status

Maury County Senior Citizens, Inc. is an organization, which is not considered a private foundation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made. The Center's Form 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2009, 2010 and 2011 are subject to examination by the IRS, generally for 3 years after they were filed.

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed on a straight-line basis over the estimated useful life of assets and is reflected as an expense in the Statement of Functional Expenses.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

MAURY COUNTY SENIOR CITIZENS, INC. – CENTER OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

Use of 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.

NOTE 2 – FINANCIAL INDEPENDENCE

The Center is substantially funded by grants from the South Central Tennessee Development District (SCTDD) and local government contributions from the City of Columbia and Maury County. Portions of these grants are paid from grants made available to the SCTDD by the federal government. Each grant prescribes allowable expenditure guidelines with which the Center must comply. The grants are received prospectively, subject to subsequent verification of the incurring of allowable expenditures and provisions of qualifying services.

NOTE 3 – LEASEHOLD IMPROVEMENTS, FURNITURE AND EQUIPMENT

Leasehold improvements, equipment, and vehicles consist of:

	<u>2011</u>	<u>2010</u>
Furniture and equipment	\$ 33,182	\$ 33,182
Leasehold Improvements	47,899	47,899
	<u>81,081</u>	<u>81,081</u>
Less: accumulated depreciation	(75,787)	(73,017)
	<u>\$ 5,294</u>	<u>\$ 8,064</u>

Useful lives are 5 to 10 years for leasehold improvements, 5 to 10 years for furniture and equipment.

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of cash restricted for program purposes.

NOTE 5 – FACILITY LEASE AND IN KIND SUPPORT AND EXPENSES

Maury County Senior Citizens, Inc. leases its main facility from Maury County for \$1 per year. The fair market rental value of the building of \$44,287 per year is treated as in kind support and expense of the Center.

NOTE 6 - DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through August 21, 2012 which is the financial statement issuance date. No material subsequent events have occurred that need to be disclosed.

MAURY COUNTY SENIOR CITIZENS, INC. – CENTER OPERATIONS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 and 2010

NOTE 7 – TRANSPORTATION PROGRAM

As explained in Note 1, Maury County Senior Citizens, Inc. also provides transportation services to senior adults and others in its service area of Maury County. Under generally accepted accounting principles, this program should be included in the financial statements of Maury County Senior Citizens, Inc. Management has elected not to include the assets, liabilities, net assets, revenues and expenses of the transportation program into the basic financial statements of the Center, but to make the following disclosures:

Maury County Senior Citizens, Inc. - Transportation Program
Schedule of Assets, Liabilities and Net Assets

	06/30/11	06/30/10
Cash	\$ 195,066	\$ 160,541
Total Assets	<u>\$ 195,066</u>	<u>\$ 160,541</u>
Temporarily restricted net assets	<u>\$ 195,066</u>	<u>\$ 160,541</u>

Maury County Senior Citizens, Inc. - Transportation Program
Schedule of Revenues, Expenses, and Changes in Net Assets
For the Years Ended

	06/30/11	06/30/10
Service fees	\$ 476,434	\$ 315,003
Grants and donations	240,779	218,648
Total revenue	<u>\$ 717,213</u>	<u>\$ 533,651</u>
Program expenses	682,688	551,444
Increase in net assets	34,525	(17,793)
Beginning net assets	160,541	178,334
Ending net assets	<u>\$ 195,066</u>	<u>\$ 160,541</u>