

SENIOR CITIZENS OF HENDERSONVILLE, INC.
AUDITED FINANCIAL STATEMENTS
JUNE 30, 2017

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MCMURRAY, FOX & ASSOCIATES, PLLC CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Senior Citizens of Hendersonville, Inc.

We have audited the accompanying financial statements of Senior Citizens of Hendersonville, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements.

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 an opinion 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. 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 risk 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 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Senior Citizens of Hendersonville, Inc. as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

McMurray, Fox & Associates

McMurray, Fox & Associates PLLC
Hendersonville, Tennessee
November 21, 2017

SENIOR CITIZENS OF HENDERSONVILLE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2017

ASSETS

| | |
|--------------------------------|--------------------------|
| Current assets | |
| Cash | \$ 68,901 |
| Contributions receivable | 8,372 |
| Prepaid assets | 4,797 |
| Total current assets | <u>82,070</u> |
| Property and equipment | |
| Property and equipment | 271,773 |
| Less: accumulated depreciation | <u>(207,331)</u> |
| Net property and equipment | <u>64,442</u> |
| Total assets | <u><u>\$ 146,512</u></u> |

LIABILITIES AND NET ASSETS

| | |
|----------------------------------|--------------------------|
| Current liabilities | |
| Accounts payable | \$ 1,714 |
| Payroll taxes payable | 5,647 |
| Total current liabilities | <u>7,361</u> |
| Net assets | |
| Unrestricted | 139,151 |
| Total net assets | <u>139,151</u> |
| Total liabilities and net assets | <u><u>\$ 146,512</u></u> |

See independent auditor's report and notes to financial statements

SENIOR CITIZENS OF HENDERSONVILLE, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Unrestricted Net Assets

Support

| | |
|-----------------------|----------------|
| Federal grant | \$ 16,950 |
| State grants | 15,050 |
| City & county funding | 25,000 |
| United Way funding | 15,804 |
| Contributions | 7,428 |
| Miscellaneous | 3,597 |
| In-kind rent | 30,000 |
| Program income | 35,328 |
| Fundraising | 14,386 |
| Total Revenue | <u>163,543</u> |

Expenses

Program services

| | |
|------------------------|----------------|
| Program expenses | 94,683 |
| Fundraising expenses | 5,675 |
| Total program services | <u>100,357</u> |

Support services

| | |
|------------------------|---------------|
| Management and general | 67,143 |
| Total support services | <u>67,143</u> |

| | |
|----------------|----------------|
| Total expenses | <u>167,500</u> |
|----------------|----------------|

| | |
|-------------------------------------|---------|
| Decrease in unrestricted net assets | (3,958) |
|-------------------------------------|---------|

| | |
|-------------------------------|----------------|
| Net assets, beginning of year | <u>143,109</u> |
|-------------------------------|----------------|

| | |
|-------------------------|--------------------------|
| Net assets, end of year | <u><u>\$ 139,151</u></u> |
|-------------------------|--------------------------|

See independent auditor's report and notes to financial statements

**SENIOR CITIZENS OF HENDERSONVILLE, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

See independent auditor's report and notes to financial statements

SENIOR CITIZENS OF HENDERSONVILLE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| | <u>PROGRAM SERVICES</u> | <u>FUNDRAISING</u> | <u>MANAGEMENT & GENERAL</u> | <u>TOTAL</u> |
|------------------------|-----------------------------|--------------------|-------------------------------------|--------------|
| Depreciation | \$ 8,842 | \$ - | \$ 2,947 | \$ 11,789 |
| Fundraising expense | - | 5,675 | - | 5,675 |
| Insurance | 5,508 | - | 1,836 | 7,344 |
| Legal and professional | - | - | 4,789 | 4,789 |
| Office expense | 8,680 | - | 2,893 | 11,573 |
| Payroll | 16,226 | - | 48,677 | 64,903 |
| Program | 11,201 | - | - | 11,201 |
| Rent | 30,000 | - | - | 30,000 |
| Telephone | 664 | - | 1,992 | 2,657 |
| Utilities | 12,028 | - | 4,009 | 16,037 |
| Vehicle expense | 1,534 | - | - | 1,534 |
| Total expenses | \$ 94,683 | \$ 5,675 | \$ 67,143 | \$ 167,500 |

See independent auditor's report and notes to financial statements

SENIOR CITIZENS OF HENDERSONVILLE, INC.
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

| | |
|---|-------------------------|
| Cash flows from operating activities | |
| Increase/(decrease) in net assets | \$ (3,958) |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities | |
| Depreciation | 11,789 |
| (Increase)/decrease in accounts receivable | 3,250 |
| (Increase)/decrease in prepaid assets | (4,797) |
| Increase/(decrease) in accounts payable | (2,225) |
| Increase/(decrease) in payroll taxes payable | 5,143 |
| Total adjustments | <u>13,160</u> |
| Net cash provided by operating activities | 9,202 |
| Cash flows from investing activities | |
| Purchase of equipment | <u>(1,359)</u> |
| Net cash used in investing assets | <u>(1,359)</u> |
| Net increase in cash and cash equivalents | 7,843 |
| Cash and cash equivalents at beginning of year | <u>61,058</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 68,901</u></u> |

See independent auditor's report and notes to financial statements

SENIOR CITIZENS OF HENDERSONVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Senior Citizens of Hendersonville, Inc. (the "Center"), was incorporated under the laws of the State of Tennessee on July 31, 1986, for the purpose of operating a senior center in Hendersonville, Tennessee to service Hendersonville and Sumner County citizens sixty years of age or older. The Center provides on-site programs in addition to an outreach program to homebound seniors. The Center utilizes a fiscal year beginning July 1 and ending on June 30.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

Income Taxes

The Center is a non-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code.

Cash & Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximate fair value because of the short maturities of those financial instruments.

Use of Estimates

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

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed stipulations. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

See independent auditor's report

SENIOR CITIZENS OF HENDERSONVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – GRANT INCOME (continued)

\$12,000 from Sumner County, Tennessee and \$13,000 from the City of Hendersonville, Tennessee.

Grant receivable consists of \$8,372 due from Greater Nashville Regional Council.

NOTE 3 – CONTRIBUTIONS

Senior Citizens of Hendersonville, Inc. received \$7,428 in unrestricted contributions from corporations and individuals during the fiscal year ending June 30, 2017.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost or, if donated, at the estimated fair market value at the date of donation. The policy of the Center is to capitalize all assets \$250 and above. Property and equipment are depreciated using the straight-line method over the life of the asset, between three and fifteen years. Leasehold improvements are depreciated over the assumed life of the lease, see Note 5. Donated property and equipment is stated at an estimable fair market value on the date received.

Property and equipment consist of the following as of June 30, 2017:

| | |
|--------------------------------|------------------|
| Furniture and fixtures | \$ 42,569 |
| Equipment | 5,920 |
| Leasehold improvements | 171,278 |
| Vehicles | <u>52,005</u> |
| | 271,772 |
| Less: accumulated depreciation | <u>(207,330)</u> |
| Fixed assets, net | <u>\$ 64,442</u> |

Depreciation expense for the year ending June 30, 2017 totaled \$11,789. Repair and maintenance costs are expensed as incurred.

NOTE 5 – GIFTS IN KIND

The Center was the recipient of rent in-kind from the City of Hendersonville during the fiscal year ending June 30, 2017. The City values the cost of the contribution for the use of the building at 197 Imperial Boulevard to be \$30,000. Accordingly, in-kind revenue and rent expense of \$30,000 was recorded by the Center. The lease agreement is open-ended and cancelable by the City at any time, however not for the foreseeable future.

Other gifts-in-kind during the fiscal year were immaterial.

See independent auditor's report

SENIOR CITIZENS OF HENDERSONVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6– SUBSEQUENT EVENTS

The Center has evaluated events and transactions for subsequent events that would impact the financial statements for the year ended June 30, 2017 through November 21, 2017, the date the financial statements were available to be issued. There were no subsequent events that require recognition in the financial statements.

See independent auditor's report