

Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Audited Financial Statements and Other Information  
For the Years Ended June 30, 2019 and 2018

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**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Schedule of Board of Directors and Management (Unaudited)  
June 30, 2019**

**Board of Directors**

Mr. Jay Sack	Chair
Mr. Howard Welch	Vice Chair
Mr. Dick Stovall	Treasurer
Ms. Patricia Blair	Recording Secretary
M. Michael Williamson	Corresponding Secretary
Mr. Daniel Dell	Board Member
Ms. Norma Deal	Board Member
Mr. Douglas R Barber	Board Member
Mr. Juan Reyes	Board Member
Mr. Rex Williams	Board Member
Ms. Toni Bullock	Board Member

**Management**

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



**THURMAN CAMPBELL GROUP, PLC**  
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
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, 2019 and 2018, 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 and 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, 2019 and 2018, 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.

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419 Franklin Street - Clarksville Tennessee 37040 (931) 648-0343  
117 West Ninth Street - Hopkinsville, Kentucky 42240 (270) 885-8481  
500 West Main Street - Princeton, Kentucky 42445 (270) 365-9733

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 19, 2019, 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, contract, 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 19, 2019

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**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2019 and 2018**

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, 2019. 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 2019 and 2018 fiscal years by \$201,831 and \$164,404 net position respectively.
- The Center's total net position increased by \$37,427 for fiscal year ended June 30, 2019 and decreased by \$3,423 for fiscal year ended June 30, 2018.

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, 2019 and 2018**

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

	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
<b>Assets</b>			
Total Current Assets	\$ 125,742	\$ 94,883	\$ 85,139
Net Capital Assets	<u>91,210</u>	<u>92,487</u>	<u>97,750</u>
<b>Total Assets</b>	<u><u>\$ 216,952</u></u>	<u><u>\$ 187,370</u></u>	<u><u>\$ 182,889</u></u>
<b>Liabilities and Net Position</b>			
Total Current Liabilities	<u>\$ 15,121</u>	<u>\$ 22,966</u>	<u>\$ 15,062</u>
<b>Net Position</b>			
Investment in Capital Assets	\$ 91,210	\$ 92,488	\$ 97,749
Unrestricted	<u>110,621</u>	<u>71,916</u>	<u>70,078</u>
Total Net Position	<u><u>\$ 201,831</u></u>	<u><u>\$ 164,404</u></u>	<u><u>\$ 167,827</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 \$201,831 as of June 30, 2019. The Center's net position increased by \$37,427 for the fiscal year ended June 30, 2019.

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2019 and 2018**

The Clarksville Montgomery County Ajax Turner Senior Citizen's Center, Inc.'s  
Changes in Net Position

	<u>2019</u>		<u>2018</u>		<u>2017</u>
<b>Operating Revenues</b>					
Operating Grants and Contributions	\$ 497,240	-	\$ 484,608	-	\$ 415,415
Charges for Services	<u>210,017</u>		<u>213,878</u>	-	<u>216,987</u>
<b>Total Operating Revenues</b>	<u>707,257</u>		<u>698,486</u>	=	<u>632,402</u>
<b>Operating Expenses</b>					
Program Expenses	<u>669,830</u>	-	<u>701,909</u>	-	<u>666,200</u>
<b>Total Operating Expenses</b>	<u>669,830</u>		<u>701,909</u>		<u>666,200</u>
<b>Change In Net Position</b>	37,427		(3,423)		(33,798)
<b>Net Position, Beginning of Year</b>	<u>164,404</u>		<u>167,827</u>		<u>201,625</u>
<b>Net Position, End of Year</b>	<u>\$ 201,831</u>		<u>\$ 164,404</u>		<u>\$ 167,827</u>



**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Management's Discussion and Analysis (Unaudited)  
Years Ended June 30, 2019 and 2018**

Business Type Activities

Business type activities increased the Center's net position by \$37,427. Key elements of this increase are as follows:

- The Center's revenues exceeded expenses.
- Grants from the City of Clarksville increased in FY19 by \$11,378.
- 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 as of June 30, 2019 amounted to \$91,210 (net of accumulated depreciation). 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 1 percent. Major capital asset increases during the current fiscal year included kitchen equipment and lift chairs.

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, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Assets</b>		
Current Assets		
Cash	\$ 105,945	\$ 77,003
Accounts Receivable	11,447	12,496
Deposits and Prepaids	<u>8,350</u>	<u>5,384</u>
Total Current Assets	<u>125,742</u>	<u>94,883</u>
Capital Assets		
Property & Equipment	651,116	640,633
Less: Accumulated Depreciation	<u>(559,906)</u>	<u>(548,146)</u>
Net Capital Assets	<u>91,210</u>	<u>92,487</u>
<b>Total Assets</b>	<u><u>\$ 216,952</u></u>	<u><u>\$ 187,370</u></u>
 <b>Liabilities and Net Position</b>		
Current Liabilities		
Accounts Payable	\$ 1,391	\$ 7,387
Accrued Liabilities	<u>13,730</u>	<u>15,579</u>
Total Current Liabilities	<u>15,121</u>	<u>22,966</u>
 <b>Net Position</b>		
Investment in Capital Assets	91,210	92,487
Unrestricted	<u>110,621</u>	<u>71,917</u>
Total Net Position	<u>201,831</u>	<u>164,404</u>
<b>Total Liabilities and Net Position</b>	<u><u>\$ 216,952</u></u>	<u><u>\$ 187,370</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, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Operating Revenues</b>		
Local Support	\$ 464,636	\$ 452,008
Contributions	13,923	19,022
Program Service Fees	176,295	175,620
Fundraising	19,803	19,236
Grants	<u>32,600</u>	<u>32,600</u>
<b>Total Operating Revenues</b>	<u>707,257</u>	<u>698,486</u>
<b>Operating Expenses</b>		
Salaries	359,574	372,741
Fringe Benefits	16,374	18,881
Payroll Taxes	28,650	29,479
Food	51,020	41,870
Fundraising	8,232	13,544
Band Fees	10,869	14,296
Building Occupancy	5,442	18,739
Utilities	87,701	79,130
Program Cost	34,514	34,222
Repairs and Maintenance	26,100	30,776
Supplies	3,653	-
Office Expenses	7,369	8,177
Professional Fees	9,388	9,096
Insurance	9,184	10,231
Depreciation	<u>11,760</u>	<u>20,727</u>
<b>Total Operating Expenses</b>	<u>669,830</u>	<u>701,909</u>
<b>Operating Income (Loss)</b>	<u>37,427</u>	<u>(3,423)</u>
<b>Change In Net Position</b>	37,427	(3,423)
<b>Net Position, Beginning of Year</b>	<u>164,404</u>	<u>167,827</u>
<b>Net Position, End of Year</b>	<u><u>\$ 201,831</u></u>	<u><u>\$ 164,404</u></u>

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Statements of Cash Flows  
Years Ended June 30, 2019 and 2018**

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>Cash Flows From Operating Activities</b>		
Cash received from local support	\$ 464,636	\$ 452,008
Cash received from contributors	13,919	19,022
Cash received from customers	177,341	175,620
Cash received from fundraising	19,803	19,236
Cash received from grantors	32,604	32,600
Cash payments to suppliers for goods and services	(264,281)	(248,649)
Cash payments to employees for services	<u>(404,597)</u>	<u>(421,101)</u>
Net Cash Provided by (Used in) Operating activities	<u>39,425</u>	<u>28,736</u>
 <b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of equipment	<u>(10,482)</u>	<u>(15,465)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(10,482)</u>	<u>(15,465)</u>
 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	28,943	13,271
 <b>Cash and Cash Equivalents at Beginning of Period</b>	<u>77,003</u>	<u>63,732</u>
 <b>Cash and Cash Equivalents at Period End</b>	<u><u>\$ 105,945</u></u>	<u><u>\$ 77,003</u></u>

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Statements of Cash Flows (Continued)  
Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
<b>Reconciliation of Operating Income</b>		
<b>(Loss) to Net Cash Provided By</b>		
<b>Operating Activities</b>		
Operating income (loss)	\$ 37,427	\$ (3,423)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) Operating Activities:		
Depreciation	11,760	20,727
(Increase) decrease in account receivable	1,049	3,527
(Increase) decrease in deposits and prepaids	(2,966)	-
Increase (decrease) in accounts payable	(5,996)	6,735
Increase (decrease) in accrued liabilities	<u>(1,849)</u>	<u>1,170</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 39,425</u>	<u>\$ 28,736</u>

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Notes to Financial Statements  
June 30, 2019 and 2018**

**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 12 members: six appointed by the County Mayor of Montgomery County, Tennessee, and confirmed by the County Commissioners, and six 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, 2019 and 2018**

**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, 2019.

**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, 2019 and 2018**

**2 Cash Deposits (continued)**

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

	June 30,	
	2019	2018
Cash on hand	\$ 1,005	\$ 1,005
Cash in checking accounts	104,940	75,998
	<u>\$ 105,945</u>	<u>\$ 77,003</u>

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, 2019 and 2018 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 \$11,447 and \$12,496 at June 30, 2019 and 2018, 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 June 30, 2018	Additions	Deletions	Balance June 30, 2019	Estimated Useful Lives
Equipment, furniture, and fixtures	\$ 306,386	\$ 10,483	\$ -	\$ 316,869	5-10 years
Vehicles	39,801	-	-	39,801	5 years
Leasehold improvements	294,446	-	-	294,446	15 years
	<u>640,633</u>	<u>10,483</u>	<u>-</u>	<u>651,116</u>	
Less accumulated depreciation	<u>(548,146)</u>	<u>(11,760)</u>	<u>-</u>	<u>(559,906)</u>	
Net Capital Assets	<u>\$ 92,487</u>	<u>\$ (1,277)</u>	<u>\$ -</u>	<u>\$ 91,210</u>	



**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Notes to Financial Statements (Continued)  
June 30, 2019 and 2018**

**4 Capital Assets (continued)**

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018	Estimated Useful Lives
Equipment, furniture, and fixtures	\$ 298,086	\$ 8,300	\$ -	\$ 306,386	5-10 years
Vehicles	39,801	-	-	39,801	5 years
Leasehold improvements	287,281	7,165	-	294,446	15 years
	625,168	15,465	-	640,633	
Less accumulated depreciation	(527,419)	(20,727)	-	(548,146)	
Net Capital Assets	<u>\$ 97,749</u>	<u>\$ (5,262)</u>	<u>\$ -</u>	<u>\$ 92,487</u>	

Depreciation expense totaled \$11,760 and \$20,727 for June 30, 2019 and 2018, 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.

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Notes to Financial Statements (Continued)  
June 30, 2019 and 2018**

**7 Subsequent Events**

The Center has evaluated subsequent events through September 19, 2019, the date which the financial statements were available to be issued.

**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, 2019 and June 30, 2018 the balance of the fund was \$25,526 and \$25,379 respectively. Grants received from the Foundation were \$1,300 and \$1,300 for the years ended June 30, 2019 and 2018.



**THURMAN CAMPBELL GROUP, PLC**  
CERTIFIED PUBLIC ACCOUNTANTS

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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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 year ended June 30, 2019 and June 30, 2018, 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 19, 2019.

**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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2019-001.

### **The Center's Response to Findings**

The Center's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Center's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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 19, 2019

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Schedule of Prior Year Findings and Responses  
June 30, 2019**

There were no prior year findings reported.

**Clarksville Montgomery County  
Ajax Turner Senior Citizen's Center, Inc.  
Schedule of Current Year Findings and Responses  
June 30, 2019**

**Financial Statement Findings**

**Finding 2019-001      A cash shortage of \$165 existed in the office**

On Saturday, May 18, 2019, the weekend receptionist called the Fiscal Director to inform him that the cash box was short. The Fiscal Director had counted the box and prepared a deposit on Friday evening. The Director entered the facility on Sunday to view the video from the cameras, but did not see anything unusual. He spoke with the cleaning crew to see if they saw anyone in the building. They stated that they saw an employee on Friday evening standing in the area where the cash box was located. On Sunday, the cleaning crew called the Director again to inform him that the same employee was on the premises again.

The employee was confronted on Monday, May 20, 2019 and admitted to taking \$80 on Friday evening to bail her husband out of jail. She came back on Sunday to return the \$80. She was given the option of resigning or termination. She immediately resigned.

After her departure, documentation of an additional \$85 was located in her office, but the money has not been recovered.

**Recommendation**

Management should take steps to liquidate the outstanding cash shortage of \$85. Management should confirm sequential numbering of cash receipts, in addition to confirming cash receipts reconcile with cash collected during lunches, dances, and special events. A Fraud Reporting Form should be filed with the Comptroller of the Treasury for any fraudulent activity as required by state statute.

**Management's Response**

Management will implement procedures that require any employee collecting cash payments to submit a schedule of sequentially numbered cash receipts with the daily cash deposit. Any discrepancies in the numbering must be accompanied with an explanation.



**Clarksville Montgomery County**  
**Ajax Turner**  
**Senior Citizens Center**

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Fax 552-6106  
E-Mail: ctr7528@hotmail.com

**Management's Corrective Action Plan**

**FINDING: 2019-001                      A CASH SHORTAGE OF \$165 EXISTED IN THE OFFICE**  
**For the Year Ended June 30, 2019**

**Response and Corrective Action Plan Prepared by:**  
Robert Thompson, Fiscal Director

**Person Responsible for Implementing the Corrective Action**  
Robert Thompson, Fiscal Director

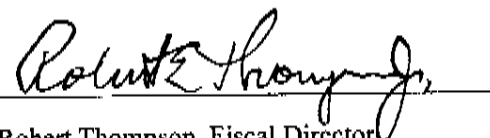
**Anticipated Completion Date of Corrective Action**  
October 1, 2019

**Was This A Repeat Finding?**  
No

**Planned Corrective Action**  
Management will put in place procedures that require any employee collecting cash payments to submit a schedule of sequentially numbered cash receipts with the daily cash deposit. Any discrepancies in the numbering must be accompanied with an explanation.

Respectfully submitted,

CLARKSVILLE MONTGOMERY COUNTY SENIOR CITIZEN'S CENTER

  
Robert Thompson, Fiscal Director