

Ajax Turner Senior Citizen's Center, Inc.  
Audited Financial Statements and Other Information  
For the Years Ended June 30, 2016 and 2015

**Ajax Turner Senior Citizen's Center, Inc.**  
**Table of Contents**  
**June 30, 2016 and June 30, 2015**

	<u>Page</u>
Introductory Section	
Schedule of Board of Directors and Management (unaudited)	1
Financial Section	
Independent Auditor's Report	2 - 3
Management's Discussion and Analysis (unaudited)	4 - 7
Statements of Net Position	8
Statements of Revenues, Expenses and Changes in Net Position	9
Statements of Cash Flows	10 - 11
Notes to Financial Statements	12 - 16
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	17 - 18
Schedule of Prior Year Findings and Responses	19

**Ajax Turner Senior Citizen's Center, Inc.**  
**Schedule of Board of Directors and Management (Unaudited)**  
**June 30, 2016 and 2015**

**Board of Directors**

Mr. Jay Sack	Chair
Mr. Howard Welch	Vice Chair
Mr. Dick Stovall	Treasurer
Ms. Bettye Scoggins	Recording Secretary
Ms. Helga Redd	Corresponding Secretary
Mr. Douglas Barber	Board Member
Ms. Laura Ruizdesparaza	Board Member
Ms. Maureen Potter	Board Member
Mr. Michael Williamson	Board Member
Mr. Gilbert Pulley	Board Member

**Management**

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



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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of 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, 2016 and 2015, and the related notes to the 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 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 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 described in the Audit Manual. Those standards require that we plan and perform the audits 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 opinion.

**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, 2016 and 2015, and the respective changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, 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 from 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.

Our audit was conducted for the purpose of forming an opinion on the financials statements of the Center. 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 December 6, 2016 on our consideration of 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, 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 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 Ajax Turner Senior Citizen's Center, Inc.'s internal control over financial reporting and compliance.

*Thurman Campbell Group, PLC*

Clarksville, TN  
December 6, 2016

**Ajax Turner Senior Citizen's Center, Inc.**  
**Management's Discussion and Analysis (Unaudited)**  
**Years Ended June 30, 2016 and 2015**

As management of the Ajax Turner Senior Citizen's Center, Inc. (the Center), we offer readers of the 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, 2016. 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 fiscal year by \$201,625 net position.
- The Center's total net position decreased by \$15,439.

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 provide 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 statements are 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.

**Ajax Turner Senior Citizen's Center, Inc.**  
**Management's Discussion and Analysis (Unaudited)**  
**Years Ended June 30, 2016 and 2015**

The Ajax Turner Senior Citizen's Center, Inc.'s Net Position

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Assets and Deferred Outflows of Resources</b>		
Total Current Assets	103,912	95,685
Net Capital Assets	<u>116,304</u>	<u>133,468</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><b>\$ 220,216</b></u>	<u><b>\$ 229,153</b></u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
Total Current Liabilities	<u>18,591</u>	<u>12,089</u>
<b>Net Position</b>		
Net Investment in Capital Assets	116,304	133,468
Restricted:	2,520	-
Unrestricted	<u>82,801</u>	<u>83,596</u>
Total Net Position	<u><b>\$ 201,625</b></u>	<u><b>\$ 217,064</b></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 \$201,625 as of June 30, 2016. The Center's net position decreased by \$15,439 for the fiscal year ended June 30, 2016.

**Ajax Turner Senior Citizen's Center, Inc.**  
**Management's Discussion and Analysis (Unaudited)**  
**Years Ended June 30, 2016 and 2015**

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

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Operating Revenues</b>		
Local Support	\$ 367,869	\$ 350,278
Contributions	19,672	13,587
In-kind Contributions	-	28,000
Program Service Fees	183,410	214,437
Fundraising	4,638	3,394
Grants	<u>32,600</u>	<u>38,100</u>
<b>Total Operating Revenues</b>	<u><b>608,189</b></u>	<u><b>647,796</b></u>
<b>Operating Expenses</b>		
Salaries	354,083	335,809
Fringe Benefits	17,762	17,734
Payroll Taxes	27,973	27,042
Food	37,692	37,791
Fundraising	639	622
Band Fees	19,337	18,943
Building Occupancy	11,156	5,591
In-kind Building Occupancy	-	28,000
Utilities	57,367	57,259
Program Cost	27,858	31,878
Repairs and Maintenance	14,980	18,666
Supplies	-	-
Office Expenses	8,235	5,143
Professional Fees	8,679	8,423
Insurance	16,689	26,350
Depreciation	<u>21,178</u>	<u>21,538</u>
<b>Total Operating Expenses</b>	<u><b>623,628</b></u>	<u><b>640,789</b></u>
<b>Change In Net Position</b>	<u><b>(15,439)</b></u>	<u><b>7,007</b></u>
<b>Net Position, Beginning of Year</b>	<u><b>217,064</b></u>	<u><b>210,057</b></u>
<b>Net Position, End of Year</b>	<u><u><b>\$ 201,625</b></u></u>	<u><u><b>\$ 217,064</b></u></u>



**Ajax Turner Senior Citizen's Center, Inc.**  
**Management's Discussion and Analysis (Unaudited)**  
**Years Ended June 30, 2016 and 2015**

Business Type Activities

Business type activities decreased the Center's net position by \$15,439, thereby accounting for a drop in the net position of the Center. Key elements of this decrease are as follows:

- The Center's grants revenues and expenses will not equal.
- There were no new grants awarded to the Center in FY16.
- 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.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and future of the Ajax Turner Senior Citizen's Center, Inc.

- The construction phase of a building expansion of the Center funded by the City of Clarksville will offer greater capacity to serve qualifying citizens of the greater Clarksville-Montgomery County, Tennessee area.
- Greater resources are expected to be required to provide the expanded service afforded by the building expansion's completion.

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 Ajax Turner Senior Center, Inc., 953 Clark Street, Clarksville, TN 37040, phone 931-648-1345 or email ctr7528@hotmail.com.

**Ajax Turner Senior Citizen's Center, Inc.**  
**Statements of Net Position**  
**June 30, 2016 and 2015**

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Assets and Deferred Outflows of Resources</b>		
Current Assets		
Cash	\$ 86,593	\$ 71,632
Accounts Receivable	11,935	18,669
Deposits and Prepaids	<u>5,384</u>	<u>5,384</u>
Total Current Assets	<u>103,912</u>	<u>95,685</u>
Capital Assets		
Property & Equipment	622,937	618,923
Less: Accumulated Depreciation	<u>(506,633)</u>	<u>(485,455)</u>
Net Capital Assets	<u>116,304</u>	<u>133,468</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><u>\$ 220,216</u></u>	<u><u>\$ 229,153</u></u>
 <b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
Current Liabilities		
Accounts Payable	\$ 1,786	\$ 2,078
Accrued Liabilities	<u>16,805</u>	<u>10,011</u>
Total Current Liabilities	<u>18,591</u>	<u>12,089</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
 <b>Net Position</b>		
Investment in Capital Assets	116,304	133,468
Restricted:		
Restricted for Programs	2,520	-
Unrestricted	<u>82,801</u>	<u>83,596</u>
Total Net Position	<u>201,625</u>	<u>217,064</u>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<u><u>\$ 220,216</u></u>	<u><u>\$ 229,153</u></u>

**Ajax Turner Senior Citizen's Center, Inc.**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Operating Revenues</b>		
Local Support	\$ 367,869	\$ 350,278
Contributions	19,672	13,587
In-kind Contributions	-	28,000
Program Service Fees	183,410	214,437
Fundraising	4,638	3,394
Grants	<u>32,600</u>	<u>38,100</u>
<b>Total Operating Revenues</b>	<u>608,189</u>	<u>647,796</u>
<b>Operating Expenses</b>		
Salaries	354,083	335,809
Fringe Benefits	17,762	17,734
Payroll Taxes	27,973	27,042
Food	37,692	37,791
Fundraising	639	622
Band Fees	19,337	18,943
Building Occupancy	11,156	5,591
In-kind Building Occupancy	-	28,000
Utilities	57,367	57,259
Program Cost	27,858	31,878
Repairs and Maintenance	14,980	18,666
Office Expenses	8,235	5,143
Professional Fees	8,679	8,423
Insurance	16,689	26,350
Depreciation	<u>21,178</u>	<u>21,538</u>
<b>Total Operating Expenses</b>	<u>623,628</u>	<u>640,789</u>
<b>Change In Net Position</b>	<u>(15,439)</u>	<u>7,007</u>
<b>Net Position, Beginning of Year</b>	<u>217,064</u>	<u>210,057</u>
<b>Net Position, End of Year</b>	<u><u>\$ 201,625</u></u>	<u><u>\$ 217,064</u></u>

**Ajax Turner Senior Citizen's Center, Inc.**  
**Statements of Cash Flows**  
**Years Ended June 30, 2016 and 2015**

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Cash Flows From Operating Activities</b>		
Cash received from local support	\$ 367,869	\$ 350,278
Cash received from contributors	19,672	41,587
Cash received from customers	190,145	203,576
Cash received from fundraising	4,638	3,394
Cash received from grantors	32,600	38,100
Cash payments to suppliers for goods and services	(202,925)	(236,878)
Cash payments to employees for services	<u>(393,024)</u>	<u>(377,857)</u>
Net Cash Provided by (Used in) Operating activities	<u>18,975</u>	<u>22,200</u>
 <b>Cash Flows From Capital and Related Financing Activities</b>		
Purchases of equipment	<u>(4,014)</u>	<u>(10,102)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(4,014)</u>	<u>(10,102)</u>
 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	14,961	12,098
 <b>Cash and Cash Equivalents at Beginning of Period</b>	<u>71,632</u>	<u>59,534</u>
 <b>Cash and Cash Equivalents at Period End</b>	<u><u>\$ 86,593</u></u>	<u><u>\$ 71,632</u></u>

**Ajax Turner Senior Citizen's Center, Inc.**  
**Statements of Cash Flows (Continued)**  
**Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Reconciliation of Operating Income</b>		
<b>(Loss) to Net Cash Provided By</b>		
<b>Operating Activities</b>		
Operating income (loss)	\$ (15,439)	\$ 7,007
Adjustments to reconcile operating income (loss) to net cash provided by (used in) Operating Activities:		
Depreciation	21,178	21,538
(Increase) decrease in account receivable	6,734	(10,861)
Increase (decrease) in accounts payable	(292)	1,788
Increase (decrease) in accrued liabilities	<u>6,794</u>	<u>2,728</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 18,975</u>	<u>\$ 22,200</u>

During the year ended June 30, 2015, the Center received free use of facilities from the City of Clarksville with an estimated value of \$28,000. The in-kind contribution and in-kind building occupancy expense were accounted for as noncash operating activities. This amount was not recognized in the financial statements for the year ended June 30, 2016.

**Ajax Turner Senior Citizen's Center, Inc.**  
**Notes to Financial Statements**  
**June 30, 2016 and 2015**

**1 Summary of Significant Accounting Policies**

**Reporting Entity** - 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 55 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 using 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.

**Ajax Turner Senior Citizen's Center, Inc.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2016 and 2015**

**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, 2016.

**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.

**Ajax Turner Senior Citizen's Center, Inc.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2016 and 2015**

**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.

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

	June 30,	
	2016	2015
Cash on hand	\$ 1,037	\$ 1,037
Cash in checking accounts	85,556	70,595
	<u>\$ 86,593</u>	<u>\$ 71,632</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, 2016 and 2015 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 \$11,935 and \$18,669 at June 30, 2016 and 2015, respectively. Management has evaluated the accounts receivable and believes it to be fully collectible, and accordingly, no allowance for doubtful accounts is considered necessary.



**Ajax Turner Senior Citizen's Center, Inc.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2016 and 2015**

**4 Capital Assets**

Property & Equipment consists of:

	June 30,		Estimated
	2016	2015	Useful Lives
Equipment, furniture, and fixtures	\$ 295,855	\$ 291,841	5-10 years
Vehicles	39,801	39,801	5 years
Leasehold improvements	287,281	287,281	15 years
	<u>622,937</u>	<u>618,923</u>	
Less accumulated depreciation	<u>(506,633)</u>	<u>(485,455)</u>	
Net Fixed Assets	<u>\$ 116,304</u>	<u>\$ 133,468</u>	

Depreciation expense totaled \$21,178 and \$21,538 for June 30, 2016 and 2015, 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 with book value 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 Retirement Plan**

The Center participates in a SIMPLE IRA plan that allows the Center's employees to save for retirement. The Center matches employee contributions, up to 3% of the employee's compensation. The Center's contributions were \$7,249 and \$7,071 for June 30, 2016 and 2015, respectively.

**6 In-kind Contributions**

The use of the building has been furnished to the Center at \$1 per year by the City of Clarksville. The fair value of use of the facilities is estimated to be approximately \$28,000 for the years ended June 30, 2016 and 2015. This amount was not recognized in the financial statements for the year ended June 30, 2016. However, \$28,000 was recognized as in-kind contributions and as building occupancy expense for the year ended June 30, 2015.

**Ajax Turner Senior Citizen's Center, Inc.**  
**Notes to Financial Statements (Continued)**  
**June 30, 2016 and 2015**

**7 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 was significantly reduced. Management does not expect any significant changes in funding.

**8 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.

**9 Subsequent Events**

The Center has evaluated subsequent events through December 6, 2016, the date which the financial statements were available to be issued.

**10 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 have determined the credit risk associated with this entity to be minimal.

**11 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, 2016 and June 30, 2015 the balance of the fund was \$23,706 and \$25,520 respectively. Grants received from the Foundation were \$1,200 and \$0 for the years ended June 30, 2016 and 2015.

**12 Change in Presentation**

Certain items from prior year have been reclassified to conform to current year presentation. As of the beginning of the June 30, 2016 fiscal year (July 1, 2015) the Center was determined to be a component unit of the City of Clarksville, thereby necessitating change in presentation.



**THURMAN CAMPBELL GROUP, PLC**  
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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  
Ajax Turner Senior Citizen's Center, Inc.

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 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, 2016 and June 30, 2015, and the related notes to the financial statements, which collectively comprise Ajax Turner Senior Citizen's Centers, Inc.'s basic financial statements, and have issued our report thereon dated December 6, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Ajax Turner Senior Citizen's Center, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ajax Turner Senior Citizen's Center, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Ajax Turner Senior Citizen's Center, Inc.'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 Ajax Turner Senior Citizen's Center, Inc.'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Thurman Campbell Group, PLC*

Clarksville, TN

December 6, 2016

**Ajax Turner Senior Citizen's Center, Inc.**  
**Schedule of Prior Year Findings and Responses**  
**June 30, 2016 and 2015**

There were no prior year findings reported.