
BELMONT MANSION ASSOCIATION
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Years Ended August 31, 2008 and 2007



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214 Overlook Circle, Suite 250
Brentwood, Tennessee 37027
615.467.7300 MAIN
615.467.7301 FAX
www.bpmcpas.com

ACCOUNTANTS' REPORT

To the Board of Directors
Belmont Mansion Association
Nashville, Tennessee

We have reviewed the accompanying statements of assets, liabilities, and net assets - cash basis of Belmont Mansion Association (a non-profit corporation) as of August 31, 2008 and 2007, and the related statements of support, revenues, expenses, and net assets - cash basis for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Belmont Mansion Association.

A review consists primarily of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash basis of accounting as described in Note 1.

As described in Note 5, the Association's financial statements do not include Belmont Mansion Foundation, a related entity. The Foundation's financial information would be required to be included; however, management believes it is impracticable to develop the information.

Our reviews were made for the purpose of expressing limited assurance that, with the exception of the matter described in the preceding paragraph, there are no material modifications that should be made to the financial statements in order for them to be in conformity with the cash basis of accounting. The information included in the accompanying Schedules I and II is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the reviews of the basic financial statements. This information is presented on the cash basis of accounting, and we are not aware of any material modifications that should be made thereto.

Byrd, Proctor & Mills, P.C.

January 22, 2009

BELMONT MANSION ASSOCIATION
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - CASH BASIS
August 31, 2008 and 2007

ASSETS	<u>2008</u>	<u>2007</u>
Cash	\$ 246,816	\$ 148,833
Gift shop inventory	37,935	46,862
Loan to split-interest trust	<u>100,000</u>	<u>100,000</u>
	<u>\$ 384,751</u>	<u>\$ 295,695</u>
LIABILITIES AND NET ASSETS		
Sales and payroll taxes payable	<u>\$ 452</u>	<u>\$ 534</u>
Total liabilities	452	534
NET ASSETS		
Unrestricted	196,442	186,408
Temporarily restricted	<u>187,857</u>	<u>108,753</u>
	<u>384,299</u>	<u>295,161</u>
	<u>\$ 384,751</u>	<u>\$ 295,695</u>

See accompanying notes and accountants' report.

BELMONT MANSION ASSOCIATION
STATEMENTS OF SUPPORT, REVENUES, EXPENSES, AND NET ASSETS - CASH BASIS
Years Ended August 31, 2008 and 2007

	2008		
	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT			
Adelecia's concert income	\$ 2,725	\$ -	\$ 2,725
Admissions	78,461	-	78,461
Christmas dinner	12,815	-	12,815
Contributions and donations	20,739	78,200	98,939
Deaccession income	240	-	240
Events at Mansion	68,609	-	68,609
Fashion show	39,537	-	39,537
Gift shop sales	40,466	-	40,466
Interest income	4,068	-	4,068
Mark Brown anniversary honorarium	-	-	-
Membership	19,960	-	19,960
Miscellaneous	584	-	584
Public programming	100	-	100
Technology grant	-	2,500	2,500
Net assets released from restrictions	1,596	(1,596)	-
	<u>289,900</u>	<u>79,104</u>	<u>369,004</u>
EXPENSES			
Program expenses			
Conservation	606	-	606
Contribution to related organization	-	-	-
Development	1,036	-	1,036
Education	559	-	559
Events at Mansion	14,936	-	14,936
Gift shop	33,290	-	33,290
Furnishing and restoration	5,330	-	5,330
Mark Brown honorarium expense	-	-	-
Membership meeting expenses	317	-	317
Miscellaneous	1,087	-	1,087
Payroll expenses	70,162	-	70,162
	<u>127,323</u>	<u>-</u>	<u>127,323</u>
Supporting services			
Management and general	76,997	-	76,997
Fundraising	75,546	-	75,546
	<u>152,543</u>	<u>-</u>	<u>152,543</u>
Total expenses	<u>279,866</u>	<u>-</u>	<u>279,866</u>
CHANGE IN NET ASSETS	10,034	79,104	89,138
NET ASSETS, BEGINNING OF YEAR	<u>186,408</u>	<u>108,753</u>	<u>295,161</u>
NET ASSETS, END OF YEAR	<u>\$ 196,442</u>	<u>\$ 187,857</u>	<u>\$ 384,299</u>

See accompanying notes and accountants' report.

2007		
Unrestricted	Temporarily Restricted	Total
\$ -	\$ -	\$ -
64,110	-	64,110
9,525	-	9,525
19,665	10,400	30,065
-	-	-
69,905	-	69,905
43,057	-	43,057
40,881	-	40,881
5,139	-	5,139
3,225	-	3,225
18,713	-	18,713
622	-	622
1,050	-	1,050
-	-	-
32,179	(32,179)	-
<u>308,071</u>	<u>(21,779)</u>	<u>286,292</u>
1,988	-	1,988
1,520	-	1,520
1,240	-	1,240
288	-	288
15,194	-	15,194
14,340	-	14,340
59,873	-	59,873
2,416	-	2,416
552	-	552
1,048	-	1,048
62,334	-	62,334
<u>160,793</u>	<u>-</u>	<u>160,793</u>
74,528	-	74,528
53,625	-	53,625
<u>128,153</u>	<u>-</u>	<u>128,153</u>
288,946	-	288,946
19,125	(21,779)	(2,654)
<u>167,283</u>	<u>130,532</u>	<u>297,815</u>
<u>\$ 186,408</u>	<u>\$ 108,753</u>	<u>\$ 295,161</u>

See accompanying notes and accountants' report.

BELMONT MANSION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2008 and 2007

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Belmont Mansion Association (the Association) was established to operate and maintain the Belmont Mansion, which is located in Nashville, Tennessee. The Mansion is owned by Belmont University and the Association operates and maintains the historic house. The Association's primary sources of revenues are contributions, admissions, gift shop sales, membership dues, and rental of the Mansion.

The Association maintains its books on the cash basis of accounting. Consequently, revenue is recognized when received rather than when earned, and expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and changes in net assets in conformity with generally accepted accounting principles.

Financial Statement Presentation

The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets.

Cash and Cash Equivalents

The Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Management's Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inventories

Inventories are stated at the lower of cost or market on a first-in, first-out basis. Inventories consist of items that reflect the Association's historical purpose that are held for sale to visitors in the Gift Shop.

Advertising Costs

The Association expenses advertising costs in the year they are paid. Advertising expense for the years ended August 31, 2008 and 2007, was \$4,985 and \$3,069, respectively.

BELMONT MANSION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2008 and 2007

Donated Services and Facilities

Members of the Association have donated significant amounts of time to the Association without compensation. The fair value of these services is not reflected in the accompanying financial statements, in as much as there is no objective basis on which to measure the value of such services and because the statements are prepared on the cash basis.

Belmont University allows the Association to use the Belmont Mansion without charge.

Income Tax Status

The Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. In addition, the Association qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Property and Equipment

Property, equipment, and improvements purchased by the Association are expensed when purchased.

Sales Tax

The Association collects sales tax on non-exempt sales from customers and remits the entire amount to the State of Tennessee. The Association excludes the tax collected and remitted from revenues and expenses.

Reclassification

Certain 2007 amounts have been reclassified to conform with the 2008 financial statement presentation.

NOTE 2 - HISTORICAL COLLECTIONS

In conformity with the practice followed by many museums, the collections (historical furnishings, art objects, etc.) are not included in the statement of financial position.

The cost of all collection items purchased is reported as a separate program expense. The proceeds from de-accessions are reported as revenue. For the year ended August 31, 2008, there was \$240 in sales of historical collection items.

NOTE 3 - TEMPORARILY RESTRICTED NET ASSETS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2008	2007
Purpose restrictions accomplished		
Program expenses	\$ 1,596	\$ 32,179
Total restrictions released	<u>\$ 1,596</u>	<u>\$ 32,179</u>

BELMONT MANSION ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
August 31, 2008 and 2007

Temporarily restricted net assets consist of the following:

Nature of Restriction	2008	2007
Acklen Society restoration	\$ 152,781	\$ 86,406
Adelecia's bedroom	11,425	-
Capital exterior fund	400	-
Manuscripts and library	300	300
Restoration and furnishing of dining room	17,001	17,001
Purchases of collection items	1,000	1,000
Computers	2,500	-
Clothing exhibit	-	96
Grand salon shutters	2,450	3,950
	<u>\$ 187,857</u>	<u>\$ 108,753</u>

NOTE 4 - SPLIT-INTEREST AGREEMENT

The Association is the remainder beneficiary of a charitable remainder trust. Another beneficiary will receive the income from the trust until the trust terminates. The trust terminates in 2010. When the trust terminates, the Association will receive the remaining assets. The trust's assets consist of antique furniture appraised at \$100,000 and the invested proceeds of the Association's loan to the trust.

NOTE 5 - BELMONT MANSION FOUNDATION

The Association appoints the Board of Directors of Belmont Mansion Foundation. Accordingly, the Association's financial statements should include the activities of the Foundation. Since the Foundation operates on a different year end and its Board operates somewhat independently, management believes that it is not practical to include the Foundation's activities in the Association's financial statements.

The Association contributed \$1,520 to Belmont Mansion Foundation in 2007.

Belmont Mansion Foundation contributed \$15,000 to the Association in 2008.

NOTE 6 - CONCENTRATIONS

At August 31, 2008 and 2007, cash deposits exceeded federally-insured limits by approximately \$106,200 and \$24,330, respectively.

SUPPLEMENTARY INFORMATION

BELMONT MANSION ASSOCIATION
SCHEDULE I - REVENUES AND OTHER SUPPORT - CASH BASIS
Years Ended August 31, 2008 and 2007

	2008		2007	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
REVENUES AND OTHER SUPPORT				
Adelecia concert income	\$ 2,725	\$ -	\$ -	\$ -
Admissions	78,461	-	64,110	-
Christmas dinner				
Christmas dinner - donations	80	-	846	-
Christmas dinner - tickets	12,735	-	8,679	-
	<u>12,815</u>	<u>-</u>	<u>9,525</u>	<u>-</u>
Contributions				
Contribution from related organization	15,000	-	-	-
Contributions	-	78,200	-	10,400
Donations - Acklen	-	-	15,845	-
Donations - Queen Victoria	-	-	-	-
Donations - Belmont Mansion	5,739	-	3,820	-
	<u>20,739</u>	<u>78,200</u>	<u>19,665</u>	<u>10,400</u>
Deaccession income	240	-	-	-
Events at Mansion	68,609	-	69,905	-
Fashion show				
Fashion show - donations	635	-	1,866	-
Fashion show - Patron's tickets	1,700	-	7,735	-
Fashion show - silent auction	7,288	-	8,293	-
Fashion show - tickets	29,914	-	25,163	-
	<u>39,537</u>	<u>-</u>	<u>43,057</u>	<u>-</u>
Gift shop sales	40,466	-	40,881	-
Mark Brown Anniversary Honorarium	-	-	3,225	-
Membership income				
Membership dues	19,960	-	18,273	-
Membership meeting income	-	-	440	-
	<u>19,960</u>	<u>-</u>	<u>18,713</u>	<u>-</u>
Miscellaneous income	584	-	622	-
Public programming	100	-	1,050	-
Technology grants	-	2,500	-	-
Interest income	4,068	-	5,139	-
Net assets released from restrictions	1,596	(1,596)	32,179	(32,179)
	<u>\$ 289,900</u>	<u>\$ 79,104</u>	<u>\$ 308,071</u>	<u>\$ (21,779)</u>

See accountants' report.

BELMONT MANSION ASSOCIATION
SCHEDULE II - EXPENSES - CASH BASIS
Years Ended August 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
EXPENSES		
Program services		
Conservation	\$ 606	\$ 1,988
Contribution to related organization	-	1,520
Development	1,036	1,240
Education	559	288
Events at Mansion expenses	14,936	15,194
Gift shop	33,290	14,340
Furnishings	3,688	1,627
Restoration	1,642	58,246
Mark Brown honorarium expense	-	2,416
Membership meeting expenses	317	552
Miscellaneous	1,087	1,048
Payroll expenses	70,162	62,334
	<u>127,323</u>	<u>160,793</u>
Supporting services		
Management and general		
Advertising	4,985	3,069
Bank charges	4,260	3,937
Dues and subscriptions	1,600	775
Insurance	5,323	5,321
Licenses and permits	395	100
Miscellaneous	2,196	548
Office supplies	2,949	1,946
Postage and delivery	2,065	1,677
Printing and reproduction	5,530	2,485
Professional fees - accounting	5,840	5,835
Professional fees - consulting	1,279	7,832
Supplies	510	424
Website expense	1,215	239
Technology	-	1,020
Telephone	19	12
Travel	2,618	1,070
Payroll expenses	36,213	38,238
	<u>76,997</u>	<u>74,528</u>
Fund-raising		
Christmas dinner	8,151	5,970
Fashion show	23,670	28,323
Payroll expenses	21,897	19,332
Professional fundraising	21,828	-
	<u>75,546</u>	<u>53,625</u>
	<u>\$ 279,866</u>	<u>\$ 288,946</u>

See accountants' report.