Travellers' Rest Historic House Museum, Inc. and Affiliate

COMBINING FINANCIAL STATEMENTS

June 30, 2015 and 2014

Travellers' Rest Historic House Museum, Inc. and Affiliate
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Travellers' Rest Historic House Museum, Inc. and Affiliate
Nashville, Tennessee

We have audited the accompanying combining financial statements of Travellers' Rest Historic House Museum, Inc. (a nonprofit organization), and affiliate which comprise the combining statements of financial position as of June 30, 2015 and 2014, and the related combining statements of activities and cash flows for the years 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 combining 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these combining financial statements based on our audits. We conducted our audits 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 combining financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combining financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Museum's preparation and fair presentation of the combining 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 combining 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 combining financial statements referred to above present fairly, in all material respects, the financial position of Travellers' Rest Historic House Museum, Inc. and Affiliate as of June 30, 2015 and 2014, and the changes in their net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CARR, RIGGS & INGRAM, LLC

Nashville, Tennessee
November 19, 2015

Travellers' Rest Historic House Museum, Inc. and Affiliate
Combining Statements of Financial Position

June 30,					**2015**
	Museum		NSCDA-TN Foundation		
	Unrestricted	Temporarily Restricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS					
Cash	$ 54,913	$ 94,745	$ -	$ -	$ 149,658
Accounts receivable	2,725	-	-	-	2,725
Contribution receivable	-	50,000	-	-	50,000
Investments	378,296	-	1,784,538	63,098	2,225,932
Other assets	5,823	-	-	-	5,823
Property and equipment	639,452	-	-	-	639,452
Collections - Note 7	-	-	-	-	-
TOTAL ASSETS	$ 1,081,209	$ 144,745	$ 1,784,538	$ 63,098	$ 3,073,590
LIABILITIES					
Accounts payable and accrued expenses	$ 20,198	$ -	$ -	$ -	$ 20,198
Due to (from) other funds	-	-	(16,860)	16,860	-
Security and rent deposits	41,464	-	-	-	41,464
TOTAL LIABILITIES	61,662	-	(16,860)	16,860	61,662
NET ASSETS					
Unrestricted	1,019,547	-	-	-	1,019,547
Temporarily restricted	-	144,745	1,801,398	-	1,946,143
Permanently restricted	-	-	-	46,238	46,238
TOTAL NET ASSETS	1,019,547	144,745	1,801,398	46,238	3,011,928
TOTAL LIABILITIES AND NET ASSETS	$ 1,081,209	$ 144,745	$ 1,784,538	$ 63,098	$ 3,073,590

The accompanying footnotes are an integral part of these combining financial statements.

Travellers' Rest Historic House Museum, Inc. and Affiliate
Combining Statements of Financial Position

June 30,					2014
	Museum		NSCDA-TN Foundation		
	Unrestricted	Temporarily Restricted	Temporarily Restricted	Permanently Restricted	Total
ASSETS					
Cash	$ 174,769	$ 103,669	$ -	$ -	$ 278,438
Accounts receivable	3,438	-	-	-	3,438
Contribution receivable	-	50,000	-	-	50,000
Investments	391,951	-	1,828,101	60,678	2,280,730
Other assets	10,862	-	-	-	10,862
Property and equipment	601,041	-	-	-	601,041
Collections - Note 7	-	-	-	-	-
TOTAL ASSETS	$ 1,182,061	$ 153,669	$ 1,828,101	$ 60,678	$ 3,224,509
LIABILITIES					
Accounts payable and accrued expenses	$ 18,192	$ -	$ -	$ -	$ 18,192
Due to (from) other funds	-	-	(14,440)	14,440	-
Security and rent deposits	80,687	-	-	-	80,687
TOTAL LIABILITIES	98,879	-	(14,440)	14,440	98,879
NET ASSETS					
Unrestricted	1,083,182	-	-	-	1,083,182
Temporarily restricted	-	153,669	1,842,541	-	1,996,210
Permanently restricted	-	-	-	46,238	46,238
TOTAL NET ASSETS	1,083,182	153,669	1,842,541	46,238	3,125,630
TOTAL LIABILITIES AND NET ASSETS	$ 1,182,061	$ 153,669	$ 1,828,101	$ 60,678	$ 3,224,509

The accompanying footnotes are an integral part of these combining financial statements.

Travellers' Rest Historic House Museum, Inc. and Affiliate
Combining Statements of Activities

For the Year Ended June 30,					**2015**
	Museum		NSCDA-TN Foundation		
	Unrestricted	Temporarily Restricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE					
Contributions and grants	$ 100,774	$ 93,003	$ -	$ -	$ 193,777
Admissions	44,271	-	-	-	44,271
Museum Shop sales	13,454	-	-	-	13,454
Educational activity programs	79,254	-	-	-	79,254
Education Center rental income	160,711	-	-	-	160,711
Investment return designated for operations	8,397	-	39,528	-	47,925
Other income	5,267	-	-	-	5,267
Net assets released from restrictions	166,799	(101,927)	(64,872)	-	-
TOTAL SUPPORT AND REVENUES	578,927	(8,924)	(25,344)	-	544,659
EXPENSES					
Program expenses					
Education and interpretation	135,124	-	-	-	135,124
Building maintenance	39,836	-	-	-	39,836
Collections	37,635	-	-	-	37,635
Education Center rental expenses	58,550	-	-	-	58,550
Grounds	42,901	-	-	-	42,901
Museum Shop	29,758	-	-	-	29,758
Other	77,753	-	-	-	77,753
Supporting services					
Management and general	179,170	-	-	-	179,170
Fundraising	44,053	-	-	-	44,053
TOTAL EXPENSES	644,780	-	-	-	644,780
CHANGE IN NET ASSETS FROM OPERATIONS	(65,853)	(8,924)	(25,344)	-	(100,121)
OTHER CHANGES IN NET ASSETS					
Gain on disposal of property and equipment	9,203	-	-	-	9,203
Investment return under the amount designated for operations	(6,985)	-	(15,799)	-	(22,784)
CHANGE IN NET ASSETS	(63,635)	(8,924)	(41,143)	-	(113,702)
NET ASSETS, BEGINNING OF YEAR	1,083,182	153,669	1,842,541	46,238	3,125,630
NET ASSETS, END OF YEAR	$ 1,019,547	$ 144,745	$ 1,801,398	$ 46,238	$ 3,011,928

The accompanying footnotes are an integral part of these combining financial statements.

Travellers' Rest Historic House Museum, Inc. and Affiliate
Combining Statements of Activities

For the Year Ended June 30, 2014

	Museum		NSCDA-TN Foundation		
	Unrestricted	Temporarily Restricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE					
Contributions and grants	$ 78,010	$ 119,528	$ -	$ -	$ 197,538
Admissions	41,611	-	-	-	41,611
Museum Shop sales	11,143	-	-	-	11,143
Educational activity programs	72,620	-	-	-	72,620
Education Center rental income	191,217	-	-	-	191,217
Investment return designated for operations	7,955	-	39,528	-	47,483
Other income	-	-	-	-	-
Net assets released from restrictions	166,857	(111,709)	(55,148)	-	-
TOTAL SUPPORT AND REVENUES	569,413	7,819	(15,620)	-	561,612
EXPENSES					
Program expenses					
Education and interpretation	126,824	-	-	-	126,824
Building maintenance	40,822	-	-	-	40,822
Collections	32,078	-	-	-	32,078
Education Center rental expenses	55,291	-	-	-	55,291
Grounds	34,455	-	-	-	34,455
Museum Shop	31,478	-	-	-	31,478
Other	86,189	-	-	-	86,189
Supporting services					
Management and general	148,426	-	-	-	148,426
Fundraising	37,554	-	-	-	37,554
TOTAL EXPENSES	593,117	-	-	-	593,117
CHANGE IN NET ASSETS FROM OPERATIONS	(23,704)	7,819	(15,620)	-	(31,505)
OTHER CHANGES IN NET ASSETS					
Gain on disposal of property and equipment	-	-	-	-	-
Investment return over the amount designated for operations	45,934	-	225,017	-	270,951
CHANGE IN NET ASSETS	22,230	7,819	209,397	-	239,446
NET ASSETS, BEGINNING OF YEAR	1,060,952	145,850	1,633,144	46,238	2,886,184
NET ASSETS, END OF YEAR	$ 1,083,182	$ 153,669	$ 1,842,541	$ 46,238	$ 3,125,630

The accompanying footnotes are an integral part of these combining financial statements.

Travellers' Rest Historic House Museum, Inc. and Affiliate
Combining Statements of Cash Flows

For the Year Ended June 30, **2015**

	Museum		NSCDA-TN Foundation		
	Unrestricted	Temporarily Restricted	Temporarily Restricted	Permanently Restricted	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	$ (63,635)	$ (8,924)	$ (41,143)	$ -	$ (113,702)
Adjustment to reconcile change in net assets to net cash used by operating activities					
Depreciation	68,289	-	-	-	68,289
Realized and unrealized losses (gains) on investments	3,606	-	(1,791)	-	1,815
Gain on disposal of property and equipment	(9,203)	-	-	-	(9,203)
Changes in assets and liabilities:					
Accounts receivable	713	-	-	-	713
Other assets	5,039	-	-	-	5,039
Accounts payable and accrued expenses	2,006	-	-	-	2,006
Security and rent deposits	(39,223)	-	-	-	(39,223)
NET CASH USED BY OPERATING ACTIVITIES	(32,408)	(8,924)	(42,934)	-	(84,266)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property and equipment	(106,700)	-	-	-	(106,700)
Proceeds from disposal of property and equipment	9,203	-	-	-	9,203
Purchases of investments	(22,804)	-	(235,188)	-	(257,992)
Proceeds from sales and maturities of investments	32,853	-	278,122	-	310,975
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(87,448)	-	42,934	-	(44,514)
NET DECREASE IN CASH	(119,856)	(8,924)	-	-	(128,780)
CASH AT BEGINNING OF YEAR	174,769	103,669	-	-	278,438
CASH AT END OF YEAR	$ 54,913	$ 94,745	$ -	$ -	$ 149,658

The accompanying footnotes are an integral part of these combining financial statements.

Travellers' Rest Historic House Museum, Inc. and Affiliate
Combining Statements of Cash Flows

For the Year Ended June 30, 2014

	Museum		NSCDA-TN Foundation		
	Unrestricted	Temporarily Restricted	Temporarily Restricted	Permanently Restricted	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in net assets	$ 22,230	$ 7,819	$ 209,397	$ -	$ 239,446
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities					
Depreciation	71,146	-	-	-	71,146
Realized and unrealized gains on investments	(49,245)	-	(243,232)	-	(292,477)
Gain on disposal of property and equipment	-	-	-	-	-
Changes in assets and liabilities:					
Accounts receivable	4,942	-	-	-	4,942
Other assets	(3,181)	-	-	-	(3,181)
Accounts payable and accrued expenses	(6,909)	-	-	-	(6,909)
Security and rent deposits	1,919	-	-	-	1,919
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	40,902	7,819	(33,835)	-	14,886
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of property and equipment	(104,303)	-	-	-	(104,303)
Proceeds from disposal of property and equipment	-	-	-	-	-
Purchases of investments	(103,143)	-	(322,488)	-	(425,631)
Proceeds from sales and maturities of investments	151,430	-	356,323	-	507,753
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(56,016)	-	33,835	-	(22,181)
NET INCREASE (DECREASE) IN CASH	(15,114)	7,819	-	-	(7,295)
CASH AT BEGINNING OF YEAR	189,883	95,850	-	-	285,733
CASH AT END OF YEAR	$ 174,769	$ 103,669	$ -	$ -	$ 278,438

The accompanying footnotes are an integral part of these combining financial statements.

NOTE 1: NATURE OF OPERATIONS AND BASIS OF PRESENTATION

In November 1988, the National Society of The Colonial Dames of America in the State of Tennessee ("NSCDA-TN") voted to establish a separate corporation named Travellers' Rest Historic House Museum, Inc. ("TR") to operate and maintain the Travellers' Rest site. Travellers' Rest is the 1799 home of Judge John Overton, one of Tennessee's most influential citizens in the late 18th and early 19th century. TR leases the site from the NSCDA-TN and operates the historic house located in Nashville, Tennessee. TR's primary sources of revenue are contributions, admissions, site rentals, and educational programs.

The combining financial statements include the accounts of TR and the National Society of The Colonial Dames of America in Tennessee Foundation for Travellers' Rest (the NSCDA-TN Foundation), which are collectively referred to as the Museum. The NSCDA-TN Foundation is a separate trust that was established by NSCDA-TN. Although the NSCDA-TN's authorization is required for all expenditures from the NSCDA-TN Foundation, they have delegated this authority to TR for temporarily restricted net assets. The funds in the NSCDA-TN Foundation are restricted for the maintenance, repair, upkeep, and improvement of Travellers' Rest. Significant intercompany transactions and balances have been eliminated in the combination.

The financial statements are prepared on the accrual basis of accounting. This method of accounting recognizes revenue when earned and expenses when incurred.

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

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

For the statements of cash flows, the Museum considers all highly liquid debt instruments purchased with an original maturity date 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 statements of activities as net assets released from restrictions. Contributions receivable are recorded at the time a promise is made. Noncash contributions are recorded as contributions at their approximate fair value at the date of donation.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets in the combining statements of financial position. Unrealized gains and losses are included in the changes in net assets.

Property and Equipment

The Museum capitalizes all expenditures for property and equipment in excess of $1,000. Purchased property and equipment are carried at cost. Donated property and equipment are carried at their approximate fair value at the date of donation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Restoration costs include construction costs as well as the related architectural, archeological, and historical research costs.

The site where Travellers' Rest is located is leased from NSCDA-TN for one dollar per year for 99 years. The lease term expires in December 2089. The lease has a provision that the property must be used as an historical shrine. In the event TR does not use the property as an historical shrine, the lease automatically terminates. Due to the nominal rental, the restrictions placed on the property and the difficulty in estimating fair value, the property is not recorded on the books of the Museum. However, the cost of the Museum's improvements to the property are capitalized and amortized.

Fair Value

Fair value consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets. Level 2 includes inputs from quoted market prices in active markets for similar assets and liabilities, which are observable for the asset or liability, either directly or indirectly. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Endowment

The Museum's investment accounts consist of seven individual funds established for a variety of purposes. It includes donor-restricted endowment funds. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law - The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Museum classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift

instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Museum and the donor-restricted endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Museum
(7) The investment policies of the Museum.

Funds With Deficiencies – From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Museum to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in temporarily restricted net assets. Deficiencies generally result from unfavorable market fluctuations that occur shortly after the investment of new permanently restricted contributions along with continued appropriation for certain programs that are deemed prudent by the Board of Directors. There was one fund with a deficiency of approximately $10,000 at June 30, 2015 and $10,300 at June 30, 2014.

Return Objectives and Risk Parameters – the Museum has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that, over time, provide a return of approximately 7% annually while assuming a moderate level of investment risk. Actual returns in any given year will vary from this amount.

Strategies Employed for Achieving Objectives – To satisfy its long-term rate-of-return objectives, the Museum relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Museum targets a diversified asset allocation that places an emphasis on equity-based investments and bonds to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy – The Museum has policies of appropriating for distribution each year ranging from 3.5 to 4.1 percent of the respective endowment fund's average fair value over the prior three years. The calculation is based on the three fiscal years ending on the March 31 preceding the fiscal year in which the distribution is planned. In establishing this policy, the Museum considered the long-term expected return on its

endowment. Accordingly, over the long term, the Museum expects the current spending policy to allow its endowment to grow at an average of approximately 2.9 percent annually. This is consistent with the organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Other Matters

The combining statements of activities report gains and losses recognized on investments as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Advertising

Printed advertising is expensed when distributed and other advertising is expensed when incurred. Advertising and brochures expense totaled $14,642 and $4,525 for the years ended June 30, 2015 and 2014, respectively.

Donated Services

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

Income Tax Status

Both TR and NSCDA-TN Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code. In addition, they qualify for the charitable contribution deduction under Section 170(b)(1)(A) and have been classified as organizations that are not private foundations under Section 509(a)(2).

Accounting principles generally accepted in the United States of America require management to evaluate the tax positions taken by the Museum and recognize a tax liability (or asset) if the Museum has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). Management has analyzed the tax positions taken by the Museum, and has concluded that as of June 30, 2015 and 2014, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the combining financial statements. Tax filings for years ended after June 30, 2012 are subject to examination by the IRS.

Estimates

The preparation of combining financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the combining financial statements and certain reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

Expenses are either charged directly to program and supporting services, or allocated by management among the programs and supporting services if benefiting more than one function.

Evaluation of Events Occurring After the Financial Statement Date

Management has evaluated subsequent events through November 19, 2015, the date the financial statements were available to be issued. During this period, the Company did not have any material recognizable subsequent events that required recognition in the disclosures to the June 30, 2015 consolidated financial statements, other than those disclosed in Note 12.

Reclassifications

Certain reclassifications have been made to the 2014 financial statement presentation to correspond to 2015's format. Net assets and changes in net assets are unchanged due to these reclassifications.

NOTE 3: CONTRIBUTION RECEIVABLE

Contribution receivable includes a $50,000 unconditional promise from one donor. The $50,000 contribution receivable at June 30, 2014 was received during the year ended June 30, 2015 and another unconditional promise was made during the year ended June 30, 2015 that is scheduled to be received by the Museum within one year. Management believes that the contribution receivable is fully collectible.

NOTE 4: INVESTMENTS

Investments are held and carried at fair value based on quoted prices in active markets by a trust company. Investments are composed of the following:

June 30,			**2015**
	Cost	Fair Value (Level 1)	Unrealized Gain
Short-term investments	**$ 31,682**	**$ 31,682**	**$ -**
Mutual funds – bonds	**426,915**	**501,842**	**74,927**
Corporate bonds	**121,843**	**124,483**	**2,640**
U.S. Treasury and agency bonds	**65,691**	**67,654**	**1,963**
Mortgage-backed securities	**56,152**	**56,985**	**833**
Common stocks and mutual funds - equities	**1,044,721**	**1,443,286**	**398,565**
	$ 1,747,004	**$ 2,225,932**	**$ 478,928**

June 30,			2014
	Cost	Fair Value (Level 1)	Unrealized Gain (Loss)
Short-term investments	$ 60,634	$ 60,634	$ -
Mutual funds – bonds	373,599	384,962	11,363
Corporate bonds	72,150	75,361	3,211
U.S. Treasury and agency bonds	132,844	132,482	(362)
Mortgage-backed securities	51,920	53,201	1,281
Common stocks and mutual funds - equities	1,080,639	1,574,090	493,451
	$ 1,771,786	$ 2,280,730	$ 508,944

The following schedule summarizes the investment return and its classification in the combining statements of activities.

For the Year Ended June 30,			**2015**
	Unrestricted	Temporarily Restricted	Total
Interest and dividend income	**$ 8,397**	**$ 39,116**	**$ 47,513**
Net realized and unrealized gains (losses)	**(3,606)**	**1,791**	**(1,815)**
Investment fees	**(3,379)**	**(17,178)**	**(20,557)**
Total investment income	**$ 1,412**	**$ 23,729**	**$ 25,141**
Investment return designated for current operations	**$ 8,397**	**$ 39,528**	**$ 47,925**
Investment return under amounts designated for operations	**(6,985)**	**(15,799)**	**(22,784)**
	$ 1,412	**$ 23,729**	**$ 25,141**

For the Year Ended June 30,			2014
	Unrestricted	Temporarily Restricted	Total
Interest and dividend income	$ 7,955	$ 37,812	$ 45,767
Net realized and unrealized gains	49,245	243,232	292,477
Investment fees	(3,311)	(16,499)	(19,810)
Total investment income	$ 53,889	$ 264,545	$ 318,434
Investment return designated for current operations	$ 7,955	$ 39,528	$ 47,483
Investment return over amounts designated for operations	45,934	225,017	270,951
	$ 53,889	$ 264,545	$ 318,434

Investment income derived from the Museum's investments is included in operating activities in the combining statements of activities based on a spending rule of 3.5% to 4.1%, as this income is used to offset the Museum's operating expenses. All other investment return is considered non-operating.

NOTE 5: ENDOWMENT

Endowment net assets are composed of the following:

June 30,				**2015**
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	**$ -**	**$ 1,801,398**	**$ 46,238**	**$ 1,847,636**
Board-designated	**378,296**	**-**	**-**	**378,296**
	$ 378,296	**$ 1,801,398**	**$ 46,238**	**$ 2,225,932**

June 30,				2014
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted	$ -	$ 1,842,541	$ 46,238	$ 1,888,779
Board-designated	391,951	-	-	391,951
	$ 391,951	$ 1,842,541	$ 46,238	$ 2,280,730

Changes in endowment net assets are as follows:

For the Year Ended June 30,				**2015**
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at June 30, 2014	**$ 391,951**	**$ 1,842,541**	**$ 46,238**	**$ 2,280,730**
Investment income	**5,018**	**21,938**	**-**	**26,956**
Net appreciation (depreciation)	**(3,606)**	**1,791**	**-**	**(1,815)**
Amounts appropriated for expenditures	**(15,067)**	**(64,872)**	**-**	**(79,939)**
Balance at June 30, 2015	**$ 378,296**	**$ 1,801,398**	**$ 46,238**	**$ 2,225,932**

For the Year Ended June 30,				2014
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Balance at June 30, 2013	$ 390,993	$ 1,633,144	$ 46,238	$ 2,070,375
Investment income	4,644	21,313	-	25,957
Net appreciation	49,245	243,232	-	292,477
Amounts appropriated for expenditures	(52,931)	(55,148)	-	(108,079)
Balance at June 30, 2014	$ 391,951	$ 1,842,541	$ 46,238	$ 2,280,730

NOTE 6: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

June 30,	**2015**	2014
Land	**$ 10,600**	$ 10,600
Education Center	**708,831**	704,141
Equipment	**109,392**	106,995
Leasehold improvements	**287,794**	266,449
Restoration costs	**668,866**	590,598
	1,785,483	1,678,783
Accumulated depreciation	**(1,146,031)**	(1,077,742)
	$ 639,452	$ 601,041

NOTE 7: COLLECTIONS

The Museum's collections consist of historical items, furnishings, art objects, and real property. Each of the items in the collection is cataloged and preserved. Verification of their existence and assessment of their condition are performed continuously. In conformity with the practice followed by many museums, collection items are not included in the combining statements of financial position. There were $772 of historical collection items purchased and none disposed of the year ended June 30, 2015. There were $9,432 of historical collection items purchased and none disposed of for year ended June 30, 2014.

NOTE 8: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

June 30,	**2015**	2014
NSCDA –TN Foundation net assets - maintenance, repair upkeep, and improvements of Travellers' Rest	**$ 1,801,398**	$ 1,842,541
Contributions receivable in future periods	**50,000**	50,000
Other	**94,745**	103,669
	$ 1,946,143	$ 1,996,210

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors, and consist of the following:

For the Years Ended June 30,	**2015**		2014	
	Museum	NSCDA-TN Foundation	Museum	NSCDA-TN Foundation
Purpose restrictions accomplished:				
Program expenditures	**$ 51,927**	**$ 64,872**	$ 61,709	$ 55,148
Time restrictions expired:				
Passage of specified time	**50,000**	**-**	50,000	-
	$ 101,927	**$ 64,872**	$ 111,709	$ 55,148

NOTE 9: PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets consist of the following:

For the Years Ended June 30,	**2015**	2014
	NSCDA-TN Foundation	NSCDA-TN Foundation
Henrietta Weaver Jackson Garden Fund	**$ 46,238**	$ 46,238

Income from permanently restricted assets is restricted for maintenance of the Colonial Dames Garden at TR.

NOTE 10: RELATED PARTY TRANSACTIONS

The Museum received $16,000 and $17,000 in unrestricted contributions from NSCDA-TN during the years ended June 30, 2015 and 2014, respectively.

NOTE 11: CONCENTRATIONS

For the year ended June 30, 2015, contributions from three donors and a foundation controlled by one of those donors comprised approximately 58% of total contributions.

For the year ended June 30, 2014, contributions from two donors and a foundation controlled by one of those donors comprised approximately 38% of total contributions.

At June 30, 2015 and 2014, contributions receivable consists of an unconditional promise from one donor.

The Museum maintains its operating cash account and money market account primarily in one bank. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. There was no uninsured cash at June 30, 2015, and $46,254 at June 30, 2014, respectively.

NOTE 12: SUBSEQUENT EVENT

The stock market experienced a significant decline in value after June 30, 2015. Through October 31, 2015, the Museum's investments had declined by 4.3% or approximately $95,000. The Museum will continue to monitor its investments as it has successfully done in the past, but has no immediate plans to change its investment portfolio.