

FINANCIAL STATEMENTS

SUMNER COUNTY MUSEUM
FINANCIAL STATEMENTS
DECEMBER 31, 2017

SUMNER COUNTY MUSEUM

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FINANCIAL SECTION

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Independent Accountant's Review Report

To the Board of Directors of
Sumner County Museum
Gallatin, Tennessee

Scope Paragraph

I have reviewed the accompanying statement of financial position of the Sumner County Museum (a nonprofit organization) as of December 31, 2017, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Museum's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management Responsibility Paragraph

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Accountant's Responsibility Paragraph

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Accountant's Modification

The management of the Museum is not able to value the items placed for viewing in the Museum and as such has not included these items in the financial statements.

Limited Assurance Paragraph

Based on my review, I am not aware (other than noted in the preceding paragraph) of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

John R Poole, CPA

June 11, 2018

SUMNER COUNTY MUSEUM

Statement of Financial Position

December 31, 2017

Assets

Current assets:

| | | |
|------|----|--------|
| Cash | \$ | 97,156 |
|------|----|--------|

| | | |
|----------------------|--|---------------|
| Total current assets | | <u>97,156</u> |
|----------------------|--|---------------|

| | | |
|-------------------------------|--|--------|
| Property, plant and equipment | | 50,000 |
|-------------------------------|--|--------|

| | | |
|-------------------------|--|---------|
| Property for future use | | 389,460 |
|-------------------------|--|---------|

| | | |
|--------------------------------|--|-----------------|
| Less: accumulated depreciation | | <u>(50,000)</u> |
|--------------------------------|--|-----------------|

| | | |
|-------------------------------------|--|----------------|
| Total property, plant and equipment | | <u>389,460</u> |
|-------------------------------------|--|----------------|

| | | |
|--------------|----|----------------|
| Total assets | \$ | <u>486,616</u> |
|--------------|----|----------------|

Liabilities and Net Assets

Current liabilities:

| | | |
|------------------|----|--------------|
| Accounts payable | \$ | <u>1,298</u> |
|------------------|----|--------------|

| | | |
|---------------------------|--|--------------|
| Total current liabilities | | <u>1,298</u> |
|---------------------------|--|--------------|

Net assets:

| | | |
|--------------|--|----------------|
| Unrestricted | | <u>485,318</u> |
|--------------|--|----------------|

| | | |
|------------------|--|----------------|
| Total net assets | | <u>485,318</u> |
|------------------|--|----------------|

| | | |
|----------------------------------|----|----------------|
| Total liabilities and net assets | \$ | <u>486,616</u> |
|----------------------------------|----|----------------|

SUMNER COUNTY MUSEUM

Statement of Activities

For the year ended December 31, 2017

| | <u>Unrestricted</u> |
|-----------------------------------|---------------------|
| Revenues: | |
| Memberships | \$ 4,575 |
| Cemetery tour | 10,863 |
| Activities | 2,713 |
| Admissions | 2,795 |
| County grants | 10,000 |
| Fundraising and donations | 31,501 |
| Interest income | 193 |
| Total public support | <u>62,640</u> |
| Expenses: | |
| Personnel costs | 30,976 |
| Cemetery tour | 1,395 |
| Annual dinner | 1,535 |
| Insurance | 7,372 |
| Repair and maintenance | 1,825 |
| Contractors | 2,598 |
| Occupancy | 11,434 |
| Supplies | 1,204 |
| Office expense | 2,342 |
| Miscellaneous | 250 |
| Total expenses | <u>60,931</u> |
| Increase (decrease) in net assets | <u>1,709</u> |
| Beginning of year net assets | 483,609 |
| End of year net assets | <u>\$ 485,318</u> |

SUMNER COUNTY MUSEUM

Statement of Cash Flows

For the year ended December 31, 2017

| | | |
|---|----|----------------------|
| Cash flows from operating activities: | | |
| Support and revenue received | \$ | 62,640 |
| Cash paid for: | | |
| Program and support services | | <u>(60,931)</u> |
| Net cash provided by operating activities | | <u>1,709</u> |
| Cash flows used by investing activities: | | |
| Acquisition of property and equipment | | <u>0</u> |
| Net cash used by investing activities | | <u>0</u> |
| Net increase in cash | | 1,709 |
| Cash and cash equivalents at beginning of year | | 95,447 |
| Cash and cash equivalents at end of year | \$ | <u><u>97,156</u></u> |
| Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities | | |
| Increase (decrease) in net assets | \$ | 1,709 |
| Adjustments to reconcile decrease in net assets to net cash provided by operating activities: | | |
| Changes in assets and liabilities: | | |
| Net cash provided by operating activities | \$ | <u><u>1,709</u></u> |

NOTES TO THE FINANCIAL STATEMENTS

SUMNER COUNTY MUSEUM

Notes to the Financial Statements

December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Sumner County Museum is a non-profit organization formed to maintain a museum for the historical artifacts for the citizens of Sumner County, Tennessee.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and recommendations of the American Institute of Certified Public Accountants in its industry audit and accounting guide, Not-for-Profit Organizations.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Standards (SAS) No. 117, *Financial Statements of Not -for-Profit Organizations*. Under SAS No. 117, the Organization is required to report information regarding its financial position and activities according to the three classes of net assets.

Contributions

In accordance with SAS 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

SUMNER COUNTY MUSEUM

Notes to the Financial Statements December 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Donated Services

Sumner County Museum receives many hours of donated time from various citizens. It is impractical to estimate a value for these services, as such no such value has been placed on these services in the Organizations financial statements.

Donor -Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted for future periods or donor-restricted for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor- stipulated time restriction is accomplished, then the restricted net assets are reclassified to unrestricted net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the contribution is reported as unrestricted. As of yearend, the Organization had no restricted assets.

Depreciation

Depreciation is provided for over the estimated useful lives of the assets. Assets are depreciated using the straight-line method of depreciation. There was no depreciation expense for the year.

Promises to Give/Pledges

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under the provisions of the Internal Revenue Code.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

SUMNER COUNTY MUSEUM

**Notes to the Financial Statements
December 31, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Estimates

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