

**JOEL CHANDLER HARRIS ASSOCIATION**  
**REVIEWED BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**  
**(WITH REVIEWER'S REPORT THEREON)**

JOEL CHANDLER HARRIS ASSOCIATION  
ATLANTA, GEORGIA  
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DECEMBER 31, 2009

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## INDEPENDENT REVIEWER'S REPORT

The Board of Directors  
Joel Chandler Harris Association  
d/b/a The Wren's Nest  
Atlanta, Georgia

I have reviewed the accompanying statement of financial position of Joel Chandler Harris Association (a nonprofit organization) as of December 31, 2009 and the related Statements of Activities, Functional Expenses, Changes in Net Assets and Cash Flows, for the year 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 Joel Chandler Harris Association.

A review consists principally of inquiries of Organization 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, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

November 5, 2010

Gregg S. Bossen, CPA, PC

JOEL CHANDLER HARRIS ASSOCIATION  
BALANCE SHEET  
DECEMBER 31, 2009

ASSETS

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>CURRENT ASSETS:</b>			
Cash and Cash Equivalents	\$ <2,645>	\$ 2,400	\$ <245>
Grants Receivable		3,600	3,600
Inventory	1,726		1,726
	-----	-----	-----
Total Current Assets	<919>	6,000	5,081
	-----	-----	-----
<b>FIXED ASSETS:</b>			
Building Restoration	735,568		735,568
Furniture and Equipment	18,550		18,550
Land	30,000		30,000
Accumulated Depreciation	<434,564>		<434,564>
	-----	-----	-----
Total Fixed Assets	349,554		349,554
	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>\$348,635</b>	<b>\$ 6,000</b>	<b>\$354,635</b>
	=====	=====	=====

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>			
Accrued Expenses	\$ 1,004	\$	\$ 1,004
Payroll Liabilities	3,369		3,369
Capitol City Loan	75,000		75,000
	-----	-----	-----
Total Current Liabilities	79,373		79,373
	-----	-----	-----
<b>NET ASSETS:</b>	<b>269,262</b>	<b>6,000</b>	<b>275,262</b>
	-----	-----	-----
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$348,635</b>	<b>\$ 6,000</b>	<b>\$354,635</b>
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See Accountant's Report and Notes to Financial Statements

JOEL CHANDLER HARRIS ASSOCIATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUE:</b>			
Contributions	\$ 92,205	\$	\$ 92,205
Grants	7,000	6,000	13,000
Tours	13,310		13,310
Memberships	1,360		1,360
Book Sales	33,853		33,853
Rambler	1,450		1,450
Rental Income	990		990
Investment Income	49		49
Miscellaneous	3,384		3,384
Net Restrictions Met	138,479	<138,479>	
	-----	-----	-----
Total Public Support and Revenue	\$292,080	\$<132,479>	\$159,601
	-----	-----	-----
<b>EXPENSES:</b>			
Program	150,038		150,038
Management and General	31,838		31,838
Fundraising	13,852		13,852
	-----	-----	-----
Total Expenses	\$195,728	\$	\$195,728
	-----	-----	-----
<b>EXCESS &lt;DEFICIENCY&gt; OF REVENUE OVER &lt;UNDER&gt; EXPENSES</b>	<b>\$ 96,352</b>	<b>\$&lt;132,479&gt;</b>	<b>\$&lt;36,127&gt;</b>
	=====	=====	=====

See Accountant's Report and Notes to Financial Statements

JOEL CHANDLER HARRIS ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2009

	PROGRAM	MANAGEMENT & GENERAL	FUNDRAISING	TOTAL
Salaries	\$44,126	\$9,734	\$11,032	\$64,892
Casual Labor	35,287	2,754		\$38,041
Depreciation	21,584			\$21,584
Utilities	11,241	1,680		\$12,921
Book Purchases	9,855			\$9,855
Marketing and Promotion	7,986		1,248	\$9,234
Payroll Taxes	5,447	1,202	1,362	\$8,011
Interest		5,671		\$5,671
Liability Insurance		4,955		\$4,955
Grounds and Repairs	4,569			\$4,569
Merchandise Purchases	4,404			\$4,404
Accounting		3,795		\$3,795
Printing	2,446			\$2,446
Dues & Subscriptions	1,105			\$1,105
Bank Fees		1,080		\$1,080
Supplies		932		\$932
Equipment Lease	931			\$931
Travel	907			\$907
Postage			210	\$210
Storage	150			\$150
Licenses and Permits		35		\$35
<b>TOTAL EXPENSES</b>	<b>\$150,038</b>	<b>\$31,838</b>	<b>\$13,852</b>	<b>\$195,728</b>

See Accountant's Report

JOEL CHANDLER HARRIS ASSOCIATION  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
BALANCE, DECEMBER 31, 2008	\$172,910	\$138,479	\$311,389
EXCESS <DEFICIENCY> OF SUPPORT AND REVENUE OVER <UNDER> EXPENSES	96,352	<132,479>	<36,127>
	-----	-----	-----
BALANCE, DECEMBER 31, 2009	\$269,262	\$ 6,000	\$275,262
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See Accountant's Report and Notes to Financial Statements

JOEL CHANDLER HARRIS ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES:	
Excess of Support and Revenue over Expenses	\$<36,127>
Adjustments to reconcile <deficiency> to net cash used by operating activities:	
Depreciation	21,584
Decrease in Inventory	1,630
Increase in Accrued Expenses and Payroll Liabilities	1,284
	-----
Net cash used by operating activities	<11,629>
	-----
CASH FLOWS FROM INVESTING ACTIVITIES:	
Purchase of Capital Improvements and Fixed Assets	<185,128>
	-----
Net cash used in investing activities	<185,128>
	-----
CASH FLOWS FROM FINANCING ACTIVITIES:	
Capitol City Loan	8,719
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Net cash provided by financing activities	8,719
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NET CHANGE IN CASH	<187,038>
CASH AT DECEMBER 31, 2008	187,793
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CASH AT DECEMBER 31, 2009	\$ <245>
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See Accountant's Report and Notes to Financial Statements

JOEL CHANDLER HARRIS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A)Nature of organization and operations:

The Wren's Nest is the historic home of Joel Chandler Harris, the author and editor who penned the Uncle Remus stories, also known as the Brer Rabbit stories. The Wren's Nest is governed by the Joel Chandler Harris Association which strives to uphold the legacy of Joel Chandler Harris and the heritage of African American folklore through storytelling, tours, and special events. The Wren's Nest is a Queen Anne Victorian on the National Historic Register that has been a museum since 1913, having been originally funded by President Theodore Roosevelt, Andrew Carnegie, and thousands of school children. One hundred years after the death of Joel Chandler Harris, it remains an international tourist destination. For the year ended December 31, 2009, The Wren's Nest operated the following programs:

During the year 2009, the Wren's Nest offered tours of the home for five days out of every week. Additionally, our professional storytellers, The Wren's Nest Ramblers, performed the Brer Rabbit stories for over 235 different audiences. The Ramblers performed on our behalf outside of the Wren's Nest, traveling to schools and community groups that might not otherwise be able to travel to our museum. 2009 marked the third year of the Wren's Nest Publishing Company, a publishing camp for high school students who produced the region's only literary journal completely written, edited, designed and published by students from different high schools. The camp was released at and produced in partnership with the Decatur Book Festival. The Wren's Nest continued the Critter Reading Club, which encouraged people of all ages to read the Brer Rabbit stories. Club members receive a "Protect the Nest" t-shirt. The Wren's Nest also produced two larger scale events -- Wren's Nest Fest, a low-cost festival for children in the community, and Victorian Christmas, a celebration of Joel Chandler Harris' birthday with historic decorations that was free to the public.

(B)Basis of Presentation:

These financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles. These statements reflect application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). Under these statements, all contributions are immediately recognized as revenue as soon as pledged (or if not pledged when received) regardless of any restrictions on use placed by the contributor. The basic financial statements are then shown divided into three net asset groups. These are:

Unrestricted Net Assets:

All assets who either have no imposed restrictions on use or whose restrictions have been met by December 31, 2009.

Temporarily Restricted Net Assets:

All contributions by foundations, corporations and individuals with restrictions on use that have not been met by December 31, 2009.

Permanently Restricted Net Assets:

All contributions with permanent restrictions on use that, by definition, will never be met (none here).

See Auditor's Report

JOEL CHANDLER HARRIS ASSOCIATION  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2009  
 -continued-

NOTE 1: ORGANIZATION, OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(C)Support and Revenues:

Foundations and Other Grants:

Support from these sources is recognized in the accounting period in which the grants are pledged (or if not pledged, when received) in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). See Note B.

Donations:

Revenue from this source is recognized in the accounting period during which the contribution is pledged (or if not pledged, when received) in accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). See Note B.

(D)Fixed Assets:

The Wren's Nest follows the practice of capitalizing, at cost, all expenditures for fixed assets. Depreciation is computed on the straight line method over 3, 7, 15 and 39 years for the furniture, equipment, and leasehold improvements, respectively.

(E)Income Taxes:

The Wren's Nest is exempt from income taxes under Section 501 (c) (3) of the United States Internal Revenue Code and is classified as an organization which is not a private foundation under Section 509 (a) of the United States Internal Revenue Code. Donations to the organization qualify for the charitable contributions deduction. During the year ended December 31, 2009, The Wren's Nest had no unrelated business income as defined by Section 512 of the Code and, therefore no provision for income tax is necessary.

NOTE 2: BUILDING RESTORATION, FURNITURE AND EQUIPMENT AND LAND

Depreciation is recorded on a straight line basis over the estimated useful lives of the assets. At December 31, 2009, the value of such assets is as follows:

Building Restoration	\$735,568
Furniture and Equipment	18,550
Land	30,000
Accumulated Depreciation	<434,564>
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Total Fixed Assets	\$349,554
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See Auditor's Report

JOEL CHANDLER HARRIS ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009  
-continued-

NOTE 3: NOTES PAYABLE:

A summary of notes payable at December 31, 2009 is as follows:

Capitol City Bank Note Payable due in variable amounts of interest only payments, interest on loan is 9.50%, with the principal balance due July 2011	\$75,000
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Total Notes Payable	\$75,000
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NOTE 7. BUILDING RESTORATION

In 2009 The Wren's Nest completed a \$190,000 capital project that addressed 16 years of deferred maintenance. The house was repainted and restored to its original 1883 paint colors. Mortar was repointed in the foundation, wood rot was replaced as well along the porch and the wheelchair ramp, and a new security system was installed. International Fine Art Conservation Studios repaired and restored artifacts throughout the interior and cleaned each room in strict accordance with the guidelines provided by the Department of the Interior.

See Auditor's Report