

FRIENDS OF THE WARNER PARKS, INC.

FINANCIAL STATEMENTS

AND

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

DECEMBER 31, 2005 AND 2004

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Friends of the Warner Parks, Inc.
Nashville, Tennessee

We have audited the accompanying statements of financial position of Friends of the Warner Parks, Inc. (the "Organization") as of December 31, 2005 and 2004, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of the Warner Parks, Inc. as of December 31, 2005 and 2004, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KraftCPAs PLLC

Nashville, Tennessee
May 19, 2006

FRIENDS OF THE WARNER PARKS, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 609,410	\$ 368,423
Contributions receivable - Note 3	25,466	27,034
Investments - Note 5	290,654	440,038
Land and property - at cost - Notes 6 and 7	4,779,003	4,424,189
Assets restricted for land acquisitions and capital improvements:		
Contributions receivable - Note 3	455,787	232,753
Investments - Note 5	881,905	939,387
Beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee - Note 4	<u>85,999</u>	<u>77,233</u>
TOTAL ASSETS	<u>\$ 7,128,224</u>	<u>\$ 6,509,057</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 48,626	\$ 33,623
Notes payable - Note 7	<u>3,743,501</u>	<u>3,899,383</u>
TOTAL LIABILITIES	<u>3,792,127</u>	<u>3,933,006</u>
<u>NET ASSETS</u>		
Unrestricted:		
Invested in property, net of related debt	1,035,502	524,806
Designated for beneficial interest in agency endowment fund - Note 4	85,999	77,233
Undesignated	<u>745,553</u>	<u>714,466</u>
Total Unrestricted	1,867,054	1,316,505
Temporarily restricted - Note 8	<u>1,469,043</u>	<u>1,259,546</u>
TOTAL NET ASSETS	<u>3,336,097</u>	<u>2,576,051</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,128,224</u>	<u>\$ 6,509,057</u>

The accompanying notes are an integral part of these financial statements.

FRIENDS OF THE WARNER PARKS, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005		
	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTALS
SUPPORT AND REVENUES			
Public support:			
Fundraising events and contributions	\$ 333,922	\$ 965,762	\$ 1,299,684
Membership dues	49,231	-	49,231
Revenues:			
Investment income	2,318	37,775	40,093
Realized and unrealized gains on investments	-	20,211	20,211
Other income	4,537	-	4,537
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee - Note 4	12,234	-	12,234
Net assets released from restriction:			
Satisfaction of time and purpose restrictions	814,251	(814,251)	-
TOTAL SUPPORT AND REVENUES	1,216,493	209,497	1,425,990
EXPENSES			
Program services	435,514	-	435,514
Supporting services:			
Management and general	42,085	-	42,085
Fundraising	188,345	-	188,345
TOTAL EXPENSES	665,944	-	665,944
CHANGE IN NET ASSETS	550,549	209,497	760,046
NET ASSETS - BEGINNING OF YEAR	1,316,505	1,259,546	2,576,051
NET ASSETS - END OF YEAR	\$ 1,867,054	\$ 1,469,043	\$ 3,336,097

The accompanying notes are an integral part of these financial statements.

2004		
UNRESTRICTED	TEMPORARILY RESTRICTED	TOTALS
\$ 337,131	\$ 430,164	\$ 767,295
57,400	-	57,400
4,068	53,570	57,638
-	39,635	39,635
9,503	-	9,503
26,886	-	26,886
<u>834,636</u>	<u>(834,636)</u>	<u>-</u>
<u>1,269,624</u>	<u>(311,267)</u>	<u>958,357</u>
304,695	-	304,695
55,005	-	55,005
<u>156,921</u>	<u>-</u>	<u>156,921</u>
<u>516,621</u>	<u>-</u>	<u>516,621</u>
753,003	(311,267)	441,736
<u>563,502</u>	<u>1,570,813</u>	<u>2,134,315</u>
<u>\$ 1,316,505</u>	<u>\$ 1,259,546</u>	<u>\$ 2,576,051</u>

FRIENDS OF THE WARNER PARKS, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
OPERATING ACTIVITIES		
Change in net assets	<u>\$ 760,046</u>	<u>\$ 441,736</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains on investments	(20,211)	(39,635)
Restricted contributions for land acquisitions and capital improvements	(874,347)	(388,181)
Interest earned and realized and unrealized gains on restricted investments	(57,986)	(93,205)
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee - Note 4	(12,234)	(26,886)
Changes in operating assets and liabilities:		
(Increase) decrease in contributions receivable	1,568	(3,630)
Increase in accounts payable and accrued expenses	<u>15,003</u>	<u>2,985</u>
TOTAL ADJUSTMENTS	<u>(948,207)</u>	<u>(548,552)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(188,161)</u>	<u>(106,816)</u>
INVESTING ACTIVITIES		
Proceeds from sale of investments	436,114	476,935
Purchases of investments	(209,037)	(268,834)
Acquisition of land and property	(354,814)	(4,424,189)
Distribution from agency endowment fund	<u>3,468</u>	<u>2,320</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(124,269)</u>	<u>(4,213,768)</u>
FINANCING ACTIVITIES		
Proceeds from contributions restricted for land acquisitions and capital improvements	651,313	155,428
Interest earned and realized and unrealized gains on investments	57,986	93,205
Proceeds from notes payable	354,814	4,400,000
Principal payments on notes payable	<u>(510,696)</u>	<u>(500,617)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>553,417</u>	<u>4,148,016</u>
NET INCREASE (DECREASE) IN CASH	240,987	(172,568)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>368,423</u>	<u>540,991</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 609,410</u>	<u>\$ 368,423</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Interest expense paid	<u>\$ 188,830</u>	<u>\$ 72,410</u>

The accompanying notes are an integral part of these financial statements.

FRIENDS OF THE WARNER PARKS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2005

		SUPPORTING SERVICES			
		MANAGEMENT AND GENERAL		FUNDRAISING	TOTAL SUPPORTING SERVICES
	PROGRAM SERVICES				TOTAL
Employee compensation expenses:					
Contracted salaries and related payroll expenses - Note 10	\$ 64,768	\$ 11,245	\$ 22,491	\$ 33,736	\$ 98,504
Salaries	20,660	16,897	79,050	95,947	116,607
Payroll taxes	1,665	1,361	6,370	7,731	9,396
Employee benefits	879	718	3,362	4,080	4,959
Total employee compensation expenses	87,972	30,221	111,273	141,494	229,466
Consultant	-	-	30,013	30,013	30,013
Park construction and restoration projects	102,460	-	-	-	102,460
Education	7,764	-	-	-	7,764
Interest	194,021	-	-	-	194,021
Landscaping	6,843	-	-	-	6,843
Promotion	25,831	-	38,747	38,747	64,578
Printing, postage, and publication	1,576	-	1,577	1,577	3,153
Professional development	2,281	156	156	312	2,593
Insurance and office expense	6,327	6,140	6,140	12,280	18,607
Professional services	-	5,349	-	5,349	5,349
Miscellaneous	439	219	439	658	1,097
TOTAL	\$ 435,514	\$ 42,085	\$ 188,345	\$ 230,430	\$ 665,944

The accompanying notes are an integral part of these financial statements.

FRIENDS OF THE WARNER PARKS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2004

	PROGRAM SERVICES	SUPPORTING SERVICES			TOTAL
		MANAGEMENT AND GENERAL	FUNDRAISING	SUPPORTING SERVICES	
Employee compensation expenses:					
Contracted salaries and related payroll expenses - Note 10	\$ 70,167	\$ 12,268	\$ 24,535	\$ 36,803	\$ 106,970
Salaries	21,013	16,830	64,305	81,135	102,148
Payroll taxes	3,740	1,193	3,643	4,836	8,576
Employee benefits	544	174	530	704	1,248
Total employee compensation expenses	95,464	30,465	93,013	123,478	218,942
Park construction and restoration projects					
Education	74,907	-	-	-	74,907
Interest	7,670	-	-	-	7,670
Landscaping	72,410	-	-	-	72,410
Promotion	6,047	-	-	-	6,047
Printing, postage, and publication	34,526	-	51,791	51,791	86,317
Professional development	1,089	363	2,178	2,541	3,630
Insurance and office expense	2,651	181	181	362	3,013
Professional services	5,857	5,684	5,684	11,368	17,225
Miscellaneous	-	16,275	-	16,275	16,275
	4,074	2,037	4,074	6,111	10,185
TOTAL	\$ 304,695	\$ 55,005	\$ 156,921	\$ 211,926	\$ 516,621

The accompanying notes are an integral part of these financial statements.

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005 AND 2004

NOTE 1 - GENERAL

Friends of the Warner Parks, Inc. (the "Organization") is a nonprofit organization whose purpose is to provide volunteer service to the Metropolitan Government of Nashville and Davidson County Tennessee Board of Parks and Recreation ("Metro Parks and Recreation") in order to preserve, protect, and improve the historic and natural quality of the Warner Parks and to improve the facilities, equipment, and programs of the Warner Parks. The Organization is funded primarily from membership dues and contributions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Contributions and Support

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions.

The Organization had no permanently restricted net assets at December 31, 2005 or 2004.

Cash and Cash Equivalents

Cash and cash equivalents consist principally of checking and money market accounts that are held at financial institutions or with brokerage firms.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable 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. The discount on those amounts is computed using a risk-free interest rate applicable to the year in which the promise is received (4.35% and 3.63% for 2005 and 2004, respectively). Conditional promises to give are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible amounts has not been provided on contributions receivable since, in management's opinion, the receivable amounts are fully collectible, based on past history.

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005 AND 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments consist of certificates of deposit and securities and are carried at their quoted fair values on the last business day of the reporting period. The changes in unrealized gains and losses are recognized in the statement of activities for the year. Investments relate principally to contributions that were temporarily restricted for the Organization's Capital Campaign. Accordingly, substantially all investment income and gains are classified as temporarily restricted.

Agency Endowment Fund

The Organization's beneficial interest in an agency endowment fund held by the Community Foundation of Middle Tennessee is recognized as an asset. In addition, investment income and changes in the value of the fund are recognized in the statement of activity, and distributions received from the fund are recorded as decreases in the beneficial interest. (See Note 4.)

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made

Donated Property and Materials

Donated items are recorded at their fair value at the date of the gift.

Donated Services

The Organization's policy is to record support and expenses for contributed services that require specialized skills and would be purchased if not provided by the donor at the fair value of services received. Donated time and services and the use of facilities for office space in 2005 and 2004, which amounted to \$4,537 and \$5,176, respectively, have been included in revenues and expenses.

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005 AND 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services

The following functional expense classifications are included in the accompanying financial statements:

Program services - consist of programs to help preserve, protect and improve the historic and natural quality of the Warner Parks and to provide support to help improve the park facilities, equipment and programs.

Management and general - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program or with fundraising. Includes costs associated with providing coordination and articulation of the Organization's program strategy, business management, general record-keeping, budgeting, and related purposes.

Fundraising - includes costs of activities directed toward appeals for financial support, including special events. Other activities include the cost of solicitations and creation and distributions of fundraising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Certain costs have been allocated among more than one program or activity benefited based on objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Use of Estimates

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

Reclassifications

Certain reclassifications have been made in the 2004 financial statements to be comparative with the current year's presentation. These reclassifications had no effect on the results of activities previously reported.

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005 AND 2004

NOTE 3 - CONTRIBUTIONS RECEIVABLE

As of December 31, 2005 and 2004, contributions receivable from related parties included \$169,755 and \$199,500, respectively, from members of the Organization's board of directors, and \$200,441 and \$58,500, respectively, from members of the Organization's advisory council.

Contributions receivable consisted of the following at December 31:

	<u>2005</u>	<u>2004</u>
Due in less than one year	\$ 173,207	\$ 92,366
Due in one to five years	<u>350,655</u>	<u>188,334</u>
	523,862	280,700
Less: Discount to present value	<u>(42,609)</u>	<u>(20,913)</u>
Subtotal	481,253	259,787
Less: Allowance for uncollectible amounts	<u>-</u>	<u>-</u>
	<u>\$ 481,253</u>	<u>\$ 259,787</u>

Contributions receivable are reported on the Statement of Financial Position as follows as of December 31:

	<u>2005</u>	<u>2004</u>
Operating	\$ 25,466	\$ 27,034
Restricted for land acquisitions and capital improvements	<u>455,787</u>	<u>232,753</u>
	<u>\$ 481,253</u>	<u>\$ 259,787</u>

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005 AND 2004

NOTE 4 - AGENCY ENDOWMENT FUND

The Organization has a beneficial interest in the Friends of Warner Parks Agency Fund, an agency endowment fund held by the Community Foundation of Middle Tennessee (the "Community Foundation"). Earnings on this fund are used to further the goals of Friends of the Warner Parks, Inc. The Organization has granted variance power to the Community Foundation, and the Community Foundation has the ultimate authority and control over the Fund and the income derived therefrom. The fund is charged a .4% administrative fee quarterly. Upon request by the Organization, income from the Fund representing a 5% annual return may be distributed to the Organization or to another suggested beneficiary.

A schedule of changes in the Organization's beneficial interest in this fund for the years ended December 31, follows:

	<u>2005</u>	<u>2004</u>
Balance - beginning of the year	\$ 77,233	\$ 52,667
Change in value of beneficial interest in agency endowment fund:		
Contributions to the fund	7,106	20,350
Investment income (loss), net	5,649	6,988
Administrative expenses	<u>(521)</u>	<u>(452)</u>
	12,234	26,886
Distributions to the Organization	<u>(3,468)</u>	<u>(2,320)</u>
Balance - end of the year	<u>\$ 85,999</u>	<u>\$ 77,233</u>

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005 AND 2004

NOTE 5 - INVESTMENTS

Investments consisted of the following, at fair values, as of December 31:

	<u>2005</u>	<u>2004</u>
Certificates of deposit	\$ 50,000	\$ 181,674
Common stocks	426,438	432,669
Preferred stocks	148,290	154,535
Corporate bonds	<u>547,831</u>	<u>610,547</u>
	<u>\$ 1,172,559</u>	<u>\$ 1,379,425</u>

Investments are reported on the Statement of Financial Position as follows as of December 31:

	<u>2005</u>	<u>2004</u>
Operating	\$ 290,654	\$ 440,038
Restricted for land acquisitions and capital improvements	<u>881,905</u>	<u>939,387</u>
	<u>\$ 1,172,559</u>	<u>\$ 1,379,425</u>

NOTE 6 - LAND AND PROPERTY

During 2005 and 2004, the Organization acquired certain land tracts surrounding the Warner Parks. The acquisitions were financed by bank loans (see Note 7). The Organization intends to donate the land to Metro Parks and Recreation after the outstanding debt is repaid. Although there is a house on one of the tracts, the Organization has no immediate plans to utilize the facility. Land and property consisted of the following at December 31:

	<u>2005</u>	<u>2004</u>
Land	\$ 4,529,003	\$ 4,174,189
House	<u>250,000</u>	<u>250,000</u>
	<u>\$ 4,779,003</u>	<u>\$ 4,424,189</u>

The land and property are pledged as security on the notes payable.

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005 AND 2004

NOTE 7 - NOTES PAYABLE

Notes payable consisted of the following at December 31:

		<u>2005</u>	<u>2004</u>
Loan payable - SunTrust Bank	(1)	\$ 1,393,501	\$ 1,400,000
Loan payable - Pinnacle National Bank	(2)	1,400,000	1,400,000
Loan payable - Pinnacle National Bank	(3)	<u>950,000</u>	<u>1,099,383</u>
		<u>\$ 3,743,501</u>	<u>\$ 3,899,383</u>

- (1) Interest is charged at the LIBOR Floating Rate plus 1.3% (5.59% at December 31, 2005) and is payable monthly through August 1, 2006 (maturity date); secured by negative pledge on real estate acquired.
- (2) Interest is charged at the LIBOR Floating Rate plus 1.1% (5.38% at December 31, 2005) and is payable monthly through July 30, 2006 (maturity date); secured by first mortgage lien on real estate acquired.
- (3) Interest is charged at the LIBOR Floating Rate plus 2.25% (6.5% at December 31, 2005) and is payable monthly through July 30, 2006 (maturity date); secured by first mortgage lien on real estate acquired.

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005 AND 2004

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Changes in temporarily restricted net assets for the year ended December 31, 2005 were as follows:

	Temporarily Restricted Net Assets - Balance, as of January 1, 2005	Contributions/ Additions	Release of Restrictions	Investment Income	Temporarily Restricted Net Assets - Balance, as of December 31, 2005
Tree Trust	\$ 10,627	\$ 1,477	\$ (3,365)	\$ -	\$ 8,739
Chickering Road Improvement	731	-	-	-	731
PEN Pals Camp	67	15,000	(9,787)	-	5,280
USDA Tree Trail	43	-	-	-	43
Capital Campaign	1,172,140	874,347	(766,781)	57,986	1,337,692
Memorials	21,789	1,388	(4,426)	-	18,751
Resource Management	8,000	-	-	-	8,000
Allee	24,797	-	-	-	24,797
Hodge House	8,580	-	-	-	8,580
SWEAT	-	9,000	(9,000)	-	-
Other grants and gifts	12,772	64,550	(20,892)	-	56,430
TOTAL	\$ 1,259,546	\$ 965,762	\$ (814,251)	\$ 57,986	\$ 1,469,043

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005 AND 2004

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Changes in temporarily restricted net assets for the year ended December 31, 2004 were as follows:

	Temporarily Restricted Net Assets - Balance, as of January 1, 2004	Contributions/ Additions	Release of Restrictions	Investment Income	Temporarily Restricted Net Assets - Balance, as of December 31, 2004
Tree Trust	\$ 12,577	\$ 2,000	\$ (3,950)	\$ -	\$ 10,627
Chickering Road Improvement	731	-	-	-	731
PEN Pals Camp	181	5,000	(5,114)	-	67
USDA Tree Trail	43	-	-	-	43
Capital Campaign	1,474,554	388,181	(783,800)	93,205	1,172,140
Memorials	15,357	9,542	(3,110)	-	21,789
Resource Management	8,500	10,000	(10,500)	-	8,000
Allee	27,701	-	(2,904)	-	24,797
Hodge House	9,699	-	(1,119)	-	8,580
SWEAT	5,894	15,000	(20,894)	-	-
Other grants and gifts	15,576	441	(3,245)	-	12,772
TOTAL	\$ 1,570,813	\$ 430,164	\$ (834,636)	\$ 93,205	\$ 1,259,546

FRIENDS OF THE WARNER PARKS, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2005 AND 2004

NOTE 9 - CONCENTRATION OF CREDIT RISK

The Organization began a new capital campaign at the end of 2004 in order to help pay for the additional land purchased in 2004. One contributor to the campaign in 2005 and 2004 accounted for \$100,000 or 7% and 10% of total revenue in 2005 and 2004, respectively. The Organization's primary fundraiser, "Sunday in the Park," accounted for \$111,493 and \$125,389, or 33% and 37% of the unrestricted contributions in 2005 and 2004, respectively. The Organization's fundraiser with Luke Lea Society accounted for \$88,370 and \$90,853, or 27% of the unrestricted contributions in 2005 and 2004, respectively.

From time to time throughout the year, the Organization's bank balances with financial institutions exceeded FDIC insurance limits. Management considers this to be a normal business risk. At December 31, 2005 and 2004, cash balances per bank exceeded the FDIC insurance limits by approximately \$300,000 and \$87,000, respectively.

NOTE 10 - CONTRACTED SALARIES AND RELATED PAYROLL COSTS

The Organization reimburses Metro Parks and Recreation for personnel expenses for the following positions: office assistant, naturalists, security services and staff ranger.