

**FRIENDS OF THE WARNER PARKS, INC.**

**FINANCIAL STATEMENTS**

December 31, 2007 and 2006

FRIENDS OF THE WARNER PARKS, INC.  
Nashville, Tennessee

FINANCIAL STATEMENTS  
December 31, 2007 and 2006

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Crowe Chizek and Company LLC  
Member Horwath International

## REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying statement of financial position of Friends of the Warner Parks, Inc. as of December 31, 2007 and 2006, 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, 2007 and 2006, and the change 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.

*Crowe Chizek and Company LLC*

Crowe Chizek and Company LLC

Brentwood, Tennessee  
May 1, 2008

FRIENDS OF THE WARNER PARKS, INC.  
STATEMENTS OF FINANCIAL POSITION  
December 31, 2007 and 2006

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	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 473,271	\$ 384,273
Contributions receivable (Note 3)	<u>2,500</u>	<u>6,630</u>
	475,771	390,903
 Land and property - at cost (Notes 6 and 7)	 4,816,801	 4,779,003
 Assets restricted for land acquisitions and capital improvements:		
Contributions receivable (Note 3)	389,021	547,186
Investments (Note 5)	59,743	1,240,915
Beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee (Note 4)	<u>98,997</u>	<u>93,025</u>
 Total assets	 <u>\$ 5,840,333</u>	 <u>\$ 7,051,032</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts payable and accrued expenses	\$ 30,311	\$ 57,610
Notes payable (Note 7)	<u>-</u>	<u>1,368,501</u>
Total liabilities	30,311	1,426,111
 Net assets		
Designated for investment in property, net of related debt	4,816,801	3,410,502
Designated for beneficial interest in agency endowment fund (Note 4)	98,997	93,025
Undesignated	<u>21,440</u>	<u>828,743</u>
Total Unrestricted	4,937,238	4,332,270
 Temporarily restricted (Note 8)	<u>872,784</u>	<u>1,292,651</u>
Total net assets	<u>5,810,022</u>	<u>5,624,921</u>
 Total liabilities and net assets	 <u>\$ 5,840,333</u>	 <u>\$ 7,051,032</u>

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See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.  
STATEMENTS OF ACTIVITIES  
For the years ended December 31, 2007 and 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2007 Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2006 Total</u>
Support and revenues						
Public support:						
Fundraising events and contributions	\$ 332,584	\$ 308,444	\$ 641,028	\$ 388,579	\$ 2,492,245	\$ 2,880,824
Membership dues	58,860	-	58,860	51,030	-	51,030
Revenues:						
Investment income	790	23,567	24,357	17,412	38,239	55,651
Realized and unrealized gains (losses) on investments	-	(6,668)	(6,668)	-	63,302	63,302
Other income	17,779	-	17,779	6,815	-	6,815
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee (Note 4)	5,972	-	5,972	12,129	-	12,129
Net assets released from restriction:						
Satisfaction of time and purpose restrictions	<u>745,210</u>	<u>(745,210)</u>	<u>-</u>	<u>2,770,178</u>	<u>(2,770,178)</u>	<u>-</u>
	<u>1,161,195</u>	<u>(419,867)</u>	<u>741,328</u>	<u>3,246,143</u>	<u>(176,392)</u>	<u>3,069,751</u>
Expenses						
Program services	299,953	-	299,953	531,652	-	531,652
Supporting services:						
Management and general	55,585	-	55,585	51,686	-	51,686
Fundraising	<u>200,689</u>	<u>-</u>	<u>200,689</u>	<u>197,589</u>	<u>-</u>	<u>197,589</u>
Total expenses	<u>556,227</u>	<u>-</u>	<u>556,227</u>	<u>780,927</u>	<u>-</u>	<u>780,927</u>
<b>Change in net assets</b>	604,968	(419,867)	185,101	2,465,216	(176,392)	2,288,824
Net assets - beginning of year, as originally stated	<u>4,332,270</u>	<u>1,292,651</u>	<u>5,624,921</u>	<u>1,867,054</u>	<u>1,469,043</u>	<u>3,336,097</u>
<b>Net assets, end of year</b>	<u>\$ 4,937,238</u>	<u>\$ 872,784</u>	<u>\$ 5,810,022</u>	<u>\$ 4,332,270</u>	<u>\$ 1,292,651</u>	<u>\$ 5,624,921</u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.  
STATEMENTS OF CASH FLOWS  
Years ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 185,101	\$ 2,288,824
Adjustments to reconcile change in net assets to net cash from operating activities:		
Realized and unrealized (gains) losses on investments	6,668	(63,302)
Restricted contributions for land acquisitions and capital improvements	-	(275,100)
Interest earned and realized and unrealized gains on restricted investments	(14,366)	(101,541)
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	(10,372)	(11,126)
Changes in operating assets and liabilities:		
Contributions receivable	4,130	18,836
Accounts payable and accrued expenses	<u>(27,299)</u>	<u>8,984</u>
Net change in operating activities	143,862	1,865,575
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	1,648,379	131,900
Purchases of investments	(473,875)	(136,954)
Acquisition of land and property	(37,798)	-
Distribution from agency endowment fund	<u>4,400</u>	<u>4,100</u>
Net change in investing activities	1,141,106	(954)
<b>Cash flows from financing activities</b>		
Proceeds from contributions restricted for land acquisitions and capital improvements	158,165	183,701
Interest earned and realized and unrealized gains on investments	14,366	101,541
Principal payments on notes payable	<u>(1,368,501)</u>	<u>(2,375,000)</u>
Net change in financing activities	<u>(1,195,970)</u>	<u>(2,089,758)</u>
Net change in cash and cash equivalents	88,998	(225,137)
Cash and cash equivalents - beginning of year	<u>384,273</u>	<u>609,410</u>
<b>Cash and cash equivalents - end of year</b>	<u><u>\$ 473,271</u></u>	<u><u>\$ 384,273</u></u>
Supplemental cash flow disclosure:		
Interest paid	<u><u>\$ 28,566</u></u>	<u><u>\$ 223,274</u></u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2007

	Program Services	Management And General	Fundraising	Total Supporting Services	Total
Employee compensation expenses:					
Contracted salaries and related payroll expenses (Note 10)	\$ 61,288	\$ 11,207	\$ 22,414	\$ 33,621	\$ 94,909
Salaries	22,380	18,374	90,517	108,891	131,271
Payroll taxes	1,764	1,416	7,105	8,521	10,285
Employee benefits	<u>1,259</u>	<u>1,012</u>	<u>5,072</u>	<u>6,084</u>	<u>7,343</u>
Total employee compensation expenses	86,691	32,009	125,108	157,117	243,808
Park construction and restoration projects					
Education	120,799	-	-	-	120,799
Interest	6,772	-	-	-	6,772
Landscaping	20,871	-	-	-	20,871
Promotion	8,951	-	-	-	8,951
Printing, postage, and publication	44,498	-	66,747	66,747	111,245
Professional development	407	-	406	406	813
Insurance and office expense	2,446	167	166	333	2,779
Professional services	8,650	8,395	8,395	16,790	25,440
Miscellaneous	-	15,081	-	15,081	15,081
	<u>(132)</u>	<u>(67)</u>	<u>(133)</u>	<u>(200)</u>	<u>(332)</u>
Total	\$ 299,953	\$ 55,585	\$ 200,689	\$ 256,274	\$ 556,227

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.  
STATEMENTS OF FUNCTIONAL EXPENSES  
For the year ended December 31, 2006

	Program Services	Management And General	Fundraising	Total Supporting Services	Total
Employee compensation expenses:					
Contracted salaries and related payroll expenses (Note 10)	\$ 60,247	\$ 11,696	\$ 23,394	\$ 35,090	\$ 95,337
Salaries	22,193	17,620	87,763	105,383	127,576
Payroll taxes	1,760	1,397	6,959	8,356	10,116
Employee benefits	<u>771</u>	<u>612</u>	<u>3,048</u>	<u>3,660</u>	<u>4,431</u>
Total employee compensation expenses	84,971	31,325	121,164	152,489	237,460
Consultant	-	-	15,323	15,323	15,323
Park construction and restoration projects	159,085	-	-	-	159,085
Education	6,899	-	-	-	6,899
Interest	225,772	-	-	-	225,772
Landscaping	4,879	-	-	-	4,879
Promotion	26,800	-	40,200	40,200	67,000
Printing, postage, and publication	651	-	651	651	1,302
Professional development	2,168	148	148	296	2,464
Insurance and office expense	11,048	10,723	10,724	21,447	32,495
Professional services	-	4,800	-	4,800	4,800
Miscellaneous	<u>9,379</u>	<u>4,690</u>	<u>9,379</u>	<u>14,069</u>	<u>23,448</u>
Total	<u>\$ 531,652</u>	<u>\$ 51,686</u>	<u>\$ 197,589</u>	<u>\$ 249,275</u>	<u>\$ 780,927</u>

See accompanying notes to financial statements.



FRIENDS OF THE WARNER PARKS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

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**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, 2007 or 2006.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$100,000 per financial institution. Additionally, for purposes of the statement of cash flows, the Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Contributions Receivable: Pledges receivable represent the remaining balance of unconditional promises to give that have not yet been paid. Pledges that are expected to be collected within one year or less are recorded at net realizable value. Pledges that are expected to be collected beyond one year are recorded at the present value of their estimated future cash flows. The pledges have been discounted using a risk-free interest rate applicable during the time the pledge was made. There were no new pledges received in 2007. The interest rate used for pledges received in 2005 is 4.35% and 4.4% for pledges received in 2006. Amortization of the pledge discounts are recognized as contribution revenue each year until the pledge is paid in full. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

FRIENDS OF THE WARNER PARKS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

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**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 a not-for-profit corporation pursuant to Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes on related income pursuant to Section 501(a). Accordingly, no provision for income taxes is required for the Organization in the financial statements.

Donated Property and Materials: Donated items are recorded at their fair value at the date of the gift.

Donated Services: In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair market value of certain in-kind contributions as both revenue and expense for the programs or activities benefited. For the years ended December 31, 2007 and 2006 in-kind contributions totaled \$17,779 and \$6,815 respectively.

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.

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FRIENDS OF THE WARNER PARKS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 conformity 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 during the reporting period. Actual results could differ from those estimates.

**NOTE 3 - CONTRIBUTIONS RECEIVABLE**

As of December 31, 2007 and 2006, contributions receivable from related parties included \$71,032 and \$112,731, respectively, from members of the Organization's board of directors, and \$70,700 and \$129,722, respectively, from members of the Organization's advisory council.

The following is the detail of the pledges receivable balances at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Due in less than one year	\$ 151,932	\$ 193,409
Due in one to five years	<u>271,011</u>	<u>415,687</u>
	422,943	609,096
Less: Discount to present value	<u>(31,422)</u>	<u>(55,280)</u>
Subtotal	391,521	553,816
Less: Allowance for uncollectible amounts	<u>-</u>	<u>-</u>
	<u>\$ 391,521</u>	<u>\$ 553,816</u>

FRIENDS OF THE WARNER PARKS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

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**NOTE 3 - CONTRIBUTIONS RECEIVABLE (Continued)**

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

	<u>2007</u>	<u>2006</u>
Operating	\$ 2,500	\$ 6,630
Restricted for land acquisitions and capital improvements	<u>379,537</u>	<u>547,186</u>
	<u>\$ 382,037</u>	<u>\$ 553,816</u>

**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 0.4% 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>2007</u>	<u>2006</u>
Balance - beginning of the year	\$ 93,025	\$ 85,999
Change in value of beneficial interest in agency endowment fund:		
Contributions to the fund	1,100	150
Investment income, net	9,850	11,571
Administrative expenses	<u>(578)</u>	<u>(595)</u>
	10,372	11,126
Distributions to the Organization	<u>(4,400)</u>	<u>(4,100)</u>
Balance - end of the year	<u>\$ 98,997</u>	<u>\$ 93,025</u>

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FRIENDS OF THE WARNER PARKS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

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**NOTE 5 - INVESTMENTS**

The following are the major types of investments held by the Organization at December 31, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Certificates of deposit	\$ -	\$ 99,903
Common stocks	-	422,759
Preferred stocks	-	149,566
Corporate bonds	-	568,687
Mutual Funds	<u>59,743</u>	<u>-</u>
	<u>\$ 59,743</u>	<u>\$ 1,240,915</u>

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

	<u>2007</u>	<u>2006</u>
Restricted for land acquisitions and capital improvements	\$ 59,743	\$ 1,240,915

**NOTE 6 - LAND AND PROPERTY**

During 2006 and 2007, the Organization acquired certain land tracts surrounding the Warner Parks. The acquisitions were financed by bank loans (see Note 7) which were repaid in 2007. The Organization intends to donate the land to Metro Parks and Recreation in 2008. 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>2007</u>	<u>2006</u>
Land	\$ 4,566,801	\$ 4,529,003
House	<u>250,000</u>	<u>250,000</u>
	<u>\$ 4,816,801</u>	<u>\$ 4,779,003</u>

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FRIENDS OF THE WARNER PARKS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

**NOTE 7 - NOTES PAYABLE**

A summary of long-term debt at December 31, 2007 and 2006 is as follows:

		<u>2007</u>	<u>2006</u>
Loan payable - SunTrust Bank	(1)	\$ -	\$ 693,501
Loan payable - Pinnacle National Bank	(2)	<u>-</u>	<u>675,000</u>
		<u>\$ -</u>	<u>\$ 1,368,501</u>

(1) Interest is charged at the LIBOR Floating Rate plus 1.30% (6.64% at December 31, 2006) and is payable monthly through August 1, 2007 (maturity date); secured by negative pledge on real estate acquired.

(2) Interest is charged at the LIBOR Floating Rate plus 1.10% (6.44% at December 31, 2006) and is payable monthly through July 30, 2007 (maturity date); secured by first mortgage lien on real estate acquired.

**NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS**

Changes in temporarily restricted net assets for the year ended December 31, 2007 were as follows:

	Temporarily Restricted Net Assets - Balance, as of <u>January 1, 2007</u>	Contributions/ Additions/ <u>Reclassifications</u>	Release of <u>Restrictions</u>	Investment <u>Income</u>	Temporarily Restricted Net Assets - Balance, as of <u>December 31, 2007</u>
Tree Trust	\$ 10,009	\$ 8,990	\$ (6,410)	\$ -	\$ 12,589
Chickering Road					
Improvement	731	-	(90)	-	641
PEN Pals Camp	642	9,382	(10,024)	-	-
USDA Tree Trail	43	-	-	-	43
Capital Campaign	1,193,950	22,915	(646,952)	16,899	586,812
Memorials	22,029	8,955	(4,913)	-	26,071
Programs and Events	1,925	2,400	(4,325)	-	-
Resource Management	18,000	-	(18,000)	-	-
Allee	24,797	2,500	-	-	27,297
Hodge House	8,580	-	-	-	8,580
SWEAT	1,500	30,221	(31,721)	-	-
Exhibits	3,515	-	(46)	-	3,469
Other grants and gifts	6,930	20,555	(22,729)	-	4,756
Hill Tract Campaign	<u>-</u>	<u>202,526</u>	<u>-</u>	<u>-</u>	<u>202,526</u>
	<u>\$ 1,292,651</u>	<u>\$ 308,444</u>	<u>\$ (745,210)</u>	<u>\$ 16,899</u>	<u>\$ 872,784</u>

FRIENDS OF THE WARNER PARKS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

**NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS (Continued)**

Changes in temporarily restricted net assets for the year ended December 31, 2006 were as follows:

	Temporarily Restricted Net Assets - Balance, as of <u>January 1, 2006</u>	Contributions/ Additions/ <u>Reclassifications</u>	Release of <u>Restrictions</u>	Investment <u>Income</u>	Temporarily Restricted Net Assets - Balance, as of <u>December 31, 2006</u>
Tree Trust	\$ 8,739	\$ 2,775	\$ (1,505)	\$ -	\$ 10,009
Chickering Road Improvement	731	-	-	-	731
PEN Pals Camp	5,280	5,000	(9,638)	-	642
USDA Tree Trail	43	-	-	-	43
Capital Campaign	1,337,692	2,412,704	(2,657,987)	101,541	1,193,950
Memorials	18,751	4,845	(1,567)	-	22,029
Programs and Events Resource	-	4,525	(2,600)	-	1,925
Management	8,000	30,000	(20,000)	-	18,000
Allee	24,797	-	-	-	24,797
Hodge House	8,580	-	-	-	8,580
SWEAT	-	19,596	(18,096)	-	1,500
Exhibits	-	50,000	(46,485)	-	3,515
Other grants and gifts	<u>56,430</u>	<u>(37,200)</u>	<u>(12,300)</u>	<u>-</u>	<u>6,930</u>
	<u>\$ 1,469,043</u>	<u>\$ 2,492,245</u>	<u>\$ (2,770,178)</u>	<u>\$ 101,541</u>	<u>\$ 1,292,651</u>

**NOTE 9 - CONCENTRATION OF CREDIT RISK**

The Organization began a capital campaign at the end of 2004 in order to help pay for the additional land purchased in 2004. One contributor to the campaign accounted for 80% of total contributions in 2007. The Organization's primary fundraiser, "Sunday in the Park," accounted for \$141,125 and \$126,320, or 42% and 32% of the unrestricted contributions in 2007 and 2006, respectively. The Organization's fundraiser with Luke Lea Society accounted for \$76,005 and \$86,000, or 23% and 26% of the unrestricted contributions in 2007 and 2006, 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, 2007 and 2006, cash balances per bank exceeded the FDIC insurance limits by approximately \$170,000 and \$80,000, respectively.

FRIENDS OF THE WARNER PARKS, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2007 and 2006

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**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.