

FRIENDS OF THE WARNER PARKS, INC.

FINANCIAL STATEMENTS

December 31, 2014 and 2013

FRIENDS OF THE WARNER PARKS, INC.
Nashville, Tennessee

FINANCIAL STATEMENTS
December 31, 2014 and 2013

CONTENTS

INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF ACTIVITIES.....	4
STATEMENTS OF CASH FLOWS.....	5
STATEMENTS OF FUNCTIONAL EXPENSES.....	6
NOTES TO FINANCIAL STATEMENTS.....	8

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Friends of the Warner Parks, Inc., which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, cash flows and functional expenses 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 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.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

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, 2014 and 2013, 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.

Crowe Horwath LLP

Crowe Horwath LLP

Franklin, Tennessee
May 13, 2015

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and cash equivalents	\$ 763,585	\$ 531,113
Contributions receivable (Note 3)	-	4,574
Land - cost (Note 5)	10,800,326	10,800,326
Building and automobile, net (Note 5)	<u>242,679</u>	<u>249,136</u>
Net property & equipment	11,043,005	11,049,462
Assets restricted for land acquisitions and capital improvements:		
Contributions receivable (Note 3)	30,000	114,396
Cash	1,338,187	1,266,519
Beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee (Note 4)	<u>89,167</u>	<u>89,238</u>
Total assets	<u>\$ 13,263,944</u>	<u>\$ 13,055,302</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 157	\$ 3,588
Net assets		
Designated for investment in property	11,052,152	11,052,152
Designated for beneficial interest in agency endowment fund (Note 4)	89,167	89,238
Undesignated	<u>595,459</u>	<u>388,245</u>
Total unrestricted	11,736,778	11,529,635
Temporarily restricted (Note 6)	<u>1,527,009</u>	<u>1,522,079</u>
Total net assets	<u>13,263,787</u>	<u>13,051,714</u>
Total liabilities and net assets	<u>\$ 13,263,944</u>	<u>\$ 13,055,302</u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF ACTIVITIES
For the Years ended December 31, 2014 and 2013

	2014			2013		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenues						
Public support:						
Fundraising events and contributions	\$ 686,338	\$ 197,012	\$ 883,350	\$ 571,564	\$ 277,319	\$ 848,883
Membership dues	80,672	-	80,672	68,650	-	68,650
Revenues:						
Investment income	25	1,953	1,978	42	2,984	3,026
Rental income	18,000	-	18,000	6,750	-	6,750
Other income (expense)	28,412	-	28,412	23,431	-	23,431
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee (Note 4)	(71)	-	(71)	7,765	-	7,765
Net assets released from restriction:						
Satisfaction of time and purpose restrictions	<u>194,035</u>	<u>(194,035)</u>	<u>-</u>	<u>619,653</u>	<u>(619,653)</u>	<u>-</u>
	<u>1,007,411</u>	<u>4,930</u>	<u>1,012,341</u>	<u>1,297,855</u>	<u>(339,350)</u>	<u>958,505</u>
Expenses						
Program services	454,057	-	454,057	601,435	-	601,435
Supporting services:						
Management and general	111,696	-	111,696	93,136	-	93,136
Fundraising	<u>234,515</u>	<u>-</u>	<u>234,515</u>	<u>208,826</u>	<u>-</u>	<u>208,826</u>
Total expenses	<u>800,268</u>	<u>-</u>	<u>800,268</u>	<u>903,397</u>	<u>-</u>	<u>903,397</u>
Change in net assets	207,143	4,930	212,073	394,458	(339,350)	55,108
Net assets, beginning of year	<u>11,529,635</u>	<u>1,522,079</u>	<u>13,051,714</u>	<u>11,135,177</u>	<u>1,861,429</u>	<u>12,996,606</u>
Net assets, end of year	<u>\$ 11,736,778</u>	<u>\$ 1,527,009</u>	<u>\$ 13,263,787</u>	<u>\$ 11,529,635</u>	<u>\$ 1,522,079</u>	<u>\$ 13,051,714</u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF CASH FLOWS
For the Years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Change in net assets	\$ 212,073	\$ 55,108
Adjustments to reconcile change in net assets to net cash from operating activities:		
Amortization of discount on restricted contributions	52	(335)
Depreciation of fixed assets	6,457	4,904
Change in value of beneficial interest in agency endowment fund held by Community Foundation of Middle Tennessee	(4,129)	(11,705)
Changes in operating assets and liabilities:		
Contributions receivable	4,574	5,520
Accounts payable and accrued expenses	<u>(3,431)</u>	<u>(18,545)</u>
Net change in cash from operating activities	215,596	34,947
Cash flows from investing activities		
Change in restricted cash	(71,668)	140,533
Additions to property	-	(251,826)
Distribution from agency endowment fund	<u>4,200</u>	<u>3,940</u>
Net change in cash from investing activities	(67,468)	(107,353)
Cash flows from financing activities		
Proceeds from contributions restricted for land acquisitions and capital improvements	<u>84,344</u>	<u>79,557</u>
Net change in cash from financing activities	<u>84,344</u>	<u>79,557</u>
Net change in cash and cash equivalents	232,472	7,151
Cash and cash equivalents - beginning of year	<u>531,113</u>	<u>523,962</u>
Cash and cash equivalents - end of year	<u><u>\$ 763,585</u></u>	<u><u>\$ 531,113</u></u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year ended December 31, 2014

		<u>Supporting Services</u>			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total</u>
Employee compensation expenses:					
Contracted salaries and related payroll expenses (Note 7)	\$ 30,398	\$ 10,792	\$ 21,586	\$ 32,378	\$ 62,776
Salaries	97,528	18,827	65,363	84,190	181,718
Payroll taxes	9,037	1,744	6,057	7,801	16,838
Employee benefits	<u>4,423</u>	<u>854</u>	<u>2,965</u>	<u>3,819</u>	<u>8,242</u>
Total employee compensation expenses	141,386	32,217	95,971	128,188	269,574
Park construction and restoration projects	194,035	-	-	-	194,035
Education	14,984	-	-	-	14,984
Promotion	80,054	-	120,082	120,082	200,136
Printing, postage, and publication	2,702	-	-	-	2,702
Professional development	2,036	139	139	278	2,314
Insurance and office expense	18,303	17,766	17,766	35,532	53,835
Professional services	-	61,295	-	61,295	61,295
Nature Center	<u>557</u>	<u>279</u>	<u>557</u>	<u>836</u>	<u>1,393</u>
Total	<u>\$ 454,057</u>	<u>\$ 111,696</u>	<u>\$ 234,515</u>	<u>\$ 346,211</u>	<u>\$ 800,268</u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Year ended December 31, 2013

		<u>Supporting Services</u>			
	<u>Program</u>	<u>Management</u>		<u>Total</u>	<u>Total</u>
	<u>Services</u>	<u>and General</u>	<u>Fundraising</u>	<u>Supporting</u>	
				<u>Services</u>	
Employee compensation expenses:					
Contracted salaries and related payroll expenses (Note 7)	\$ 32,007	\$ 13,150	\$ 26,301	\$ 39,451	\$ 71,458
Salaries	83,706	16,874	57,282	74,156	157,862
Payroll taxes	7,111	1,433	4,866	6,299	13,410
Employee benefits	<u>4,219</u>	<u>851</u>	<u>2,887</u>	<u>3,738</u>	<u>7,957</u>
Total employee compensation expenses	127,043	32,308	91,336	123,644	250,687
Park construction and restoration projects	372,452	-	-	-	372,452
Education	12,125	-	-	-	12,125
Promotion	66,370	-	99,554	99,554	165,924
Printing, postage, and publication	3,086	-	-	-	3,086
Professional development	2,036	139	139	278	2,314
Insurance and office expense	17,855	17,329	17,329	34,658	52,513
Professional services	-	43,127	-	43,127	43,127
Nature Center	<u>468</u>	<u>233</u>	<u>468</u>	<u>701</u>	<u>1,169</u>
Total	<u>\$ 601,435</u>	<u>\$ 93,136</u>	<u>\$ 208,826</u>	<u>\$ 301,962</u>	<u>\$ 903,397</u>

See accompanying notes to financial statements.

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 1 - GENERAL

Friends of the Warner Parks, Inc. (the "Organization") is a not-for-profit 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, 2014 or 2013.

Cash and Cash Equivalents: Cash and cash equivalents consist of bank deposits in accounts that are federally insured up to \$250,000 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: Contributions 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 rate commensurate with the risk. 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. An allowance for doubtful accounts is determined by management based on historic loss experience. Management has not recorded an allowance for doubtful accounts at December 31, 2014 or 2013 as they believe all amounts to be collectible.

Agency Endowment Fund: The Organization's beneficial interest in an agency endowment fund is held by the Community Foundation of Middle Tennessee. 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 in the statement of financial position (Note 4).

(Continued)

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Valuation of Investments: Investments consist of a beneficial interest in an agency endowment fund and are carried at their estimated fair value. The changes in unrealized gains and losses are recognized in the statement of activities for the year.

A fair value hierarchy is established which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumption about the assumptions that market participants would use in pricing an asset or liability.

In some cases, a valuation technique used to measure fair value includes inputs from multiple levels of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy.

The following is a description of the valuation methods and assumptions used by the Organization to estimate the fair values of investments:

Beneficial interest in agency endowment fund - The fair value of beneficial interests in the agency endowment fund assets were determined based upon the fair value of the underlying trust assets at year end. This valuation method has been estimated to represent the present value of future distributed income. The Organization is able to compare the valuation model inputs and results to widely available published industry data for reasonableness. The Organization is also restricted in its ability to redeem the investment (level 3 inputs).

Property and Equipment: Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. When properties are retired or otherwise disposed of, the appropriate accounts are relieved of cost and accumulated depreciation, and any resulting gain or loss is recognized.

The assets' estimated lives used in computing depreciation are as follows:

Building	39 years
Automobile	3 years

(Continued)

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes: The Organization is a not-for-profit organization 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.

A tax position is recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

As of December 31, 2014, management has concluded that there are no uncertain tax positions taken or expected to be taken by the Organization that would require recognition or disclosure. The Organization recognizes interest and/or penalties related to income tax matters in income tax expense. The Organization did not have any amounts accrued for interest or penalties at December 31, 2014 or 2013.

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 value of certain in-kind contributions as both revenue and expense for the programs or activities benefited. For the years ended December 31, 2014 and 2013 in-kind contributions totaled \$17,548 and \$21,997, respectively.

Program and Supporting Services: The following functional expense classifications are included in the accompanying financial statements:

Program Services - This classification includes the costs 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 - This classification includes the costs of functions necessary to ensure an adequate working environment and costs not identifiable with a single program or fundraising activity. Costs associated with providing coordination and articulation of the Organization's program strategy, business management, general record-keeping, budgeting and related purposes are also included.

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

(Continued)

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Reclassifications: Certain prior year amounts have been reclassified to conform with the current year presentation. These reclassifications had no effect on the total net assets or change in net assets.

NOTE 3 - CONTRIBUTIONS RECEIVABLE

As of December 31, 2014, there were no amounts due from related parties included in contributions receivable. As of December 31, 2013, contributions receivable from related parties included \$3,941 from members of the Organization's board of directors and \$32,900 from members of the Organization's advisory council.

The following is the detail of the pledges receivable balances at December 31:

	<u>2014</u>	<u>2013</u>
Due in less than one year	\$ 30,000	\$ 118,022
Due in one to five years	<u>-</u>	<u>1,000</u>
	30,000	119,022
Less: Discount to present value	<u>-</u>	<u>(52)</u>
	<u>\$ 30,000</u>	<u>\$ 118,970</u>

Contributions receivable are reported on the statement of financial position as follows as of December 31:

	<u>2014</u>	<u>2013</u>
Operating	\$ -	\$ 4,574
Restricted for land acquisitions and capital improvements	<u>30,000</u>	<u>114,396</u>
	<u>\$ 30,000</u>	<u>\$ 118,970</u>

(Continued)

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

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.

The following tables present investments measured at fair value:

Fair Value Measurements at December 31, 2014 Using:			
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			Total
Beneficial interest in agency endowment fund	\$ -	\$ -	\$ 89,167

Fair Value Measurements at December 31, 2013 Using:			
	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
			Total
Beneficial interest in agency endowment fund	\$ -	\$ -	\$ 89,238

(Continued)

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 4 - AGENCY ENDOWMENT FUND (Continued)

The table below presents a reconciliation of all investments measured at fair value on a recurring basis using significant unobservable inputs (level 3) for the years ended December 31, included in the accompanying statement of financial position.

	Beneficial Interest in Agency Endowment Fund	
	<u>2014</u>	<u>2013</u>
Balance of recurring level 3 investments at January 1:	\$ 89,238	\$ 81,473
Total gains or losses included in change in net assets:		
Realized appreciation	6,881	5,354
Unrealized appreciation (depreciation) relating to assets held at year end	<u>(4,336)</u>	<u>5,529</u>
Net appreciation in fair value of investments	2,545	10,883
Interest income	1,558	1,347
Contributions to the fund	725	140
Grants and administrative fees	<u>(4,899)</u>	<u>(4,605)</u>
Balance of recurring Level 3 investments at December 31	<u>\$ 89,167</u>	<u>\$ 89,238</u>

NOTE 5 - PROPERTY AND EQUIPMENT

The Organization's property and equipment and the related accumulated depreciation were as follows at December 31:

	<u>2014</u>	<u>2013</u>
Land	\$ 10,800,326	\$ 10,800,326
Building	251,826	251,826
Automobile	<u>9,965</u>	<u>9,965</u>
	11,062,117	11,062,117
Less: accumulated depreciation on automobile and building	<u>19,112</u>	<u>12,655</u>
	<u>\$ 11,043,005</u>	<u>\$ 11,049,462</u>

(Continued)

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Changes in temporarily restricted net assets for the year ended December 31, 2014 were as follows:

	Temporarily Restricted Net Assets - Balance, as of January 1, 2014	Contributions/ Additions/ Reclassifications	Release of Restrictions	Investment Income	Temporarily Restricted Net Assets - Balance, as of December 31, 2014
Tree Trust	\$ 12,145	\$ 2,105	\$ (14,250)	\$ -	\$ -
PEN Pals Camp	8,474	10,000	(9,975)	-	8,499
Capital Campaign	515,795	-	(4,710)	1,326	512,411
Memorials	36,784	10,345	(45,386)	-	1,743
Resource Management	35,812	39,560	(50,367)	-	25,005
Allee	16,187	-	-	-	16,187
SWEAT	-	32,701	(32,701)	-	-
Exhibits	2,419	10,000	-	-	12,419
Other grants and gifts	30,230	87,366	(9,878)	-	107,718
Hill Tract Campaign	<u>864,233</u>	<u>4,935</u>	<u>(26,768)</u>	<u>627</u>	<u>843,027</u>
	<u>\$ 1,522,079</u>	<u>\$ 197,012</u>	<u>\$ (194,035)</u>	<u>\$ 1,953</u>	<u>\$ 1,527,009</u>

Changes in temporarily restricted net assets for the year ended December 31, 2013 were as follows:

	Temporarily Restricted Net Assets - Balance, as of January 1, 2013	Contributions/ Additions/ Reclassifications	Release of Restrictions	Investment Income	Temporarily Restricted Net Assets - Balance, as of December 31, 2013
Tree Trust	\$ 8,925	\$ 4,596	\$ (1,376)	\$ -	\$ 12,145
PEN Pals Camp	8,020	10,000	(9,546)	-	8,474
Capital Campaign	519,513	-	(3,746)	28	515,795
Memorials	35,333	4,807	(3,356)	-	36,784
Resource Management	140,659	190,178	(295,025)	-	35,812
Allee	16,187	-	-	-	16,187
SWEAT	-	32,533	(32,533)	-	-
Exhibits	2,419	-	-	-	2,419
Other grants and gifts	24,224	20,764	(14,758)	-	30,230
Hill Tract Campaign	<u>1,106,149</u>	<u>14,441</u>	<u>(259,313)</u>	<u>2,956</u>	<u>864,233</u>
	<u>\$ 1,861,429</u>	<u>\$ 277,319</u>	<u>\$ (619,653)</u>	<u>\$ 2,984</u>	<u>\$ 1,522,079</u>

NOTE 7 - 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.

(Continued)

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Organization's largest fundraisers shown below accounted for 80% and 72% of the unrestricted fundraising and contributions in the years ended December 31, 2014 and 2013, respectively.

	<u>2014</u>	<u>2013</u>
Fundraising: Sunday In The Park	\$ 313,245	\$ 195,319
Fundraising: Full Moon Concert	139,448	119,338
Fundraising: Luke Lea Society	<u>99,496</u>	<u>99,500</u>
	<u>\$ 552,189</u>	<u>\$ 414,157</u>

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, 2014 and 2013, cash balances per the bank exceeded the FDIC insurance limits by approximately \$1,268,717 and \$1,033,918, respectively.

NOTE 9 - LEASE INCOME

The Organization leases a building located on the Land included in Note 5. The lease provides for monthly rent payments of \$1,500 through July 31, 2020. The lease has one extension option to extend the lease term for an additional five years.

Approximate future minimum rental income from the noncancellable lease as of December 31, 2014 are as follows:

2015	\$ 18,000
2016	18,000
2017	18,000
2018	18,000
2019	18,000
Thereafter	<u>10,500</u>
	<u>\$ 100,500</u>

Rental income totaled \$18,000 and \$6,750 for the years ending December 31, 2014 and 2013, respectively, which is included in the Unrestricted Revenues section on the accompanying Statement of Activities. As part of the lease agreement, the tenant has also committed to donate a specified number of labor hours each year as an in-kind service contribution which is recognized at its estimated fair value and included in the total disclosed in Note 2.

(Continued)

FRIENDS OF THE WARNER PARKS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 10 - SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to December 31, 2014 to determine the need for any adjustments to and/or disclosures within the audited financial statements for the year ended December 31, 2014. Management has performed their analysis through May 13, 2015, which was the date the financial statements were available to be issued.

Subsequent to year-end, the Organization donated 319 of the 323 acres of land held at December 31, 2014. The land was donated to Metro Parks and Recreation and was valued at \$10,666,576.

Additionally, subsequent to year-end, the Organization adopted a policy of preparing its accounting records and financial statements on a cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. This change is not reflected in these financial statements as it occurred after year-end.