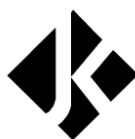




**PIEDMONT PARK CONSERVANCY, INC.**  
**ATLANTA, GEORGIA**  
**REPORT ON AUDITS OF FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**PIEDMONT PARK CONSERVANCY, INC.**  
**INDEX TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2010 AND 2009**

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**Jones and Kolb**  
**Certified Public Accountants**  
**Atlanta, Georgia**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Piedmont Park Conservancy, Inc.  
Atlanta, Georgia

We have audited the accompanying statements of financial position of Piedmont Park Conservancy, Inc. (the "Organization") as of December 31, 2010 and 2009, and the related statements of activities and net assets and cash flows 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 U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 Piedmont Park Conservancy, Inc. as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

*Jones and Kolb*

May 17, 2011

**PIEDMONT PARK CONSERVANCY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2010 AND 2009**

**ASSETS**

	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,901,693	\$ 7,845,366
Pledges receivable	1,245,878	6,049,224
Accounts receivable	177,058	52,240
Other current assets	<u>2,766</u>	<u>18,959</u>
Total current assets	<u>3,327,395</u>	<u>13,965,789</u>
 <b>PROPERTY AND EQUIPMENT</b>		
Land, building and improvements	4,091,152	3,093,974
Furniture, fixtures and equipment	<u>639,527</u>	<u>630,268</u>
Total	4,730,679	3,724,242
Less accumulated depreciation	<u>1,059,431</u>	<u>918,525</u>
Total property and equipment	<u>3,671,248</u>	<u>2,805,717</u>
 <b>PROJECT CONSTRUCTION COSTS</b>	<u>26,766,951</u>	<u>14,616,170</u>
 <b>OTHER ASSETS</b>		
Pledges receivable - long-term	<u>176,000</u>	<u>1,500,384</u>
Total assets	<u><u>\$ 33,941,594</u></u>	<u><u>\$ 32,888,060</u></u>

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

**PIEDMONT PARK CONSERVANCY, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2010 AND 2009**

**LIABILITIES AND NET ASSETS**

	<u>2010</u>	<u>2009</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 1,747,823	\$ 1,632,463
Deferred revenue	55,000	55,000
Current portion of capital lease obligation	-	3,786
Total current liabilities	<u>1,802,823</u>	<u>1,691,249</u>
<b>LONG-TERM LIABILITIES</b>		
Line of credit	<u>1,100,000</u>	<u>-</u>
Total liabilities	<u>2,902,823</u>	<u>1,691,249</u>
<b>NET ASSETS</b>		
Unrestricted	29,216,893	17,220,057
Temporarily restricted	<u>1,821,878</u>	<u>13,976,754</u>
Total net assets	<u>31,038,771</u>	<u>31,196,811</u>
Total liabilities and net assets	<u><u>\$ 33,941,594</u></u>	<u><u>\$ 32,888,060</u></u>

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

**PIEDMONT PARK CONSERVANCY, INC.**  
**STATEMENTS OF ACTIVITIES AND NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>UNRESTRICTED SUPPORT</b>		
Rental income	\$ 934,979	\$ 730,887
Membership and unrestricted contributions	352,256	425,570
Program fees	402,013	330,005
Special events	1,193,786	853,493
City of Atlanta support	343,970	130,505
Interest income	14,887	24,747
	<hr/>	<hr/>
Total unrestricted support	3,241,891	2,495,207
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<hr/>	<hr/>
	13,264,133	19,820,867
<b>TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATIONS</b>	<hr/>	<hr/>
	16,506,024	22,316,074
<b>EXPENSES</b>		
Program services		
Donations to the City of Atlanta	57,510	8,068,535
Operating and program expenses	2,175,967	2,229,639
Supporting services		
Management and general	223,325	275,176
Fundraising	975,223	773,036
Direct costs of special events	1,077,163	768,414
	<hr/>	<hr/>
Total expenses	4,509,188	12,114,800
	<hr/>	<hr/>
Change in unrestricted net assets	11,996,836	10,201,274
<b>TEMPORARILY RESTRICTED SUPPORT</b>		
Temporarily restricted contributions	1,078,248	15,672,960
Loss on uncollectible pledges	(21,250)	(65,000)
Endowment fund distributions	52,259	56,253
	<hr/>	<hr/>
Total temporarily restricted support	1,109,257	15,664,213
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<hr/>	<hr/>
	(13,264,133)	(19,820,867)
	<hr/>	<hr/>
Change in temporarily restricted net assets	(12,154,876)	(4,156,654)
<b>CHANGE IN NET ASSETS</b>	<hr/>	<hr/>
	(158,040)	6,044,620
<b>NET ASSETS, Beginning of year</b>	<hr/>	<hr/>
	31,196,811	25,152,191
<b>NET ASSETS, End of year</b>	<hr/> <hr/>	<hr/> <hr/>
	\$ 31,038,771	\$ 31,196,811

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

**PIEDMONT PARK CONSERVANCY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	<u>\$ (158,040)</u>	<u>\$ 6,044,620</u>
 ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Depreciation	140,907	130,492
(Increase) decrease in pledges receivable	6,127,730	215,583
(Increase) decrease in accounts receivable	(124,818)	53,349
(Increase) decrease in other current assets	16,193	(8,501)
(Increase) decrease in project construction costs	(12,519,509)	(9,220,396)
Increase (decrease) in accounts payable	115,360	975,630
Increase (decrease) in deferred revenue	<u>-</u>	<u>55,000</u>
 Total adjustments	<u>(6,244,137)</u>	<u>(7,798,843)</u>
 Net cash and cash equivalents provided by (used in) operating activities	<u>(6,402,177)</u>	<u>(1,754,223)</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(637,710)	(582,242)
Proceeds from the sales of investments	<u>-</u>	<u>17,189</u>
 Net cash and cash equivalents provided by (used in) investing activities	<u>(637,710)</u>	<u>(565,053)</u>

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

**PIEDMONT PARK CONSERVANCY, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	1,100,000	834,754
Principal payments on line of credit	-	(834,754)
Principal payments on capital lease obligation	<u>(3,786)</u>	<u>(21,765)</u>
Net cash and cash equivalents provided by (used in) financing activities	<u>1,096,214</u>	<u>(21,765)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(5,943,673)	(2,341,041)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	<u>7,845,366</u>	<u>10,186,407</u>
<b>CASH AND CASH EQUIVALENTS</b>		
End of year	<u>\$ 1,901,693</u>	<u>\$ 7,845,366</u>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURE</b>		
Interest paid	<u>\$ 3,064</u>	<u>\$ 5,631</u>

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

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Piedmont Park Conservancy, Inc. ("PPC") is a nonprofit organization created in 1989 for the purpose of the restoration and preservation of Piedmont Park (the "Park"), a City of Atlanta (the "City") public park in Atlanta, Georgia. PPC programs include (1) the planning and implementation of park improvements, (2) on-going park maintenance and beautification and (3) cultural, educational and recreational activities and events in the Park.

In February 2006, the Atlanta City Council and the City's Mayor approved a Memorandum of Understanding (the "MOU") outlining PPC's relationship with the City, defining in broad terms the responsibilities of PPC and the City regarding the operation of the Park. The MOU has a five-year term with a provision for one five-year renewal term, and either the City or PPC may terminate the MOU, without cause, with 30 days written notice. During May 2011, the City and PPC agreed to extend the term of the initial MOU to allow adequate time for negotiating any changes and for the subsequent legislative approval process. The extension is for the earlier of ninety days, until August 16, 2011, or until an MOU Renewal is executed. The previous document governing the relationship and outlining responsibilities for the Park was approved in 1992. The MOU does not affect agreements with the City regarding PPC's operation of certain City facilities for the benefit of the Park.

The MOU contains provisions allowing PPC to manage concessions and display banners in the Park recognizing organizations making large donations. The MOU requires PPC to ensure that certain insurance and indemnification provisions are in effect regarding vendors doing work in the Park. The MOU also clarifies the City's public safety responsibilities in the Park and documents the City's commitment to fund security services managed by PPC that supplement the City's basic police services.

PPC completed restorations of the Park's Visitor Center in 1996 and Magnolia Hall and the Multi-Use Project in 1998. PPC donated these capital improvements to the City and executed operating agreements with the City to operate each facility. Under these agreements, PPC retains all revenues generated by the facilities as an offset to operating expenses incurred by PPC to maintain the Park. During 2002, PPC renewed each of these operating agreements for an additional ten years. The renewals continue the provisions of the original operating agreements, except PPC assumes responsibility for maintenance obligations of utilities and internal structural features that were otherwise required of the City.

During 2009, PPC completed repairs and restoration services on the Piedmont Park Pool and the two-story adjacent building. The bottom level of the building and the pool are collectively referred to as the "Aquatic Center." The upper level of the building, including the entry plaza and all outdoor patio and terrace areas, is referred to as "Greystone." PPC donated these capital

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

improvements to the City and executed operating agreements with the City to manage the Pool, Bathhouse and Greystone. These agreements also specify that PPC retains all revenues generated to offset operating expenses incurred by PPC to maintain the Park.

Gold LEED certification has been attained for Greystone and the Aquatic Center and Silver LEED certification has been attained for the Mayors' Grove Restroom. LEED is an internationally recognized green building certification system providing third-party verification that a building or a community is designed and built using strategies aimed at improving performance across all the metrics that matter most: energy savings, water efficiency, carbon dioxide emissions reduction, improved indoor environmental quality and stewardship of resources and sensitivity to their impacts. Greystone and the Aquatic Center have also received awards from the Atlanta Urban Design Commission and the Urban Land Institute.

During 2010, PPC completed construction of a maintenance facility for the use of the Conservancy and the City of Atlanta.

B. Piedmont Park Conservancy, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. PPC has been classified as a publicly supported charitable organization under Section 509(a)(1) of the Internal Revenue Code which qualifies for the maximum charitable contribution deduction by donors. Tax returns filed by PPC are subject to examination by the Internal Revenue Service for a period of three years after the filing date.

C. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

D. PPC records unconditional pledges in the period made by donors and allowances are provided for amounts estimated as uncollectible. All contributions are available for unrestricted purposes unless specifically restricted by the donor. At December 31, 2010 and 2009, PPC had an allowance for uncollectible pledges of \$116,250 and \$95,000, respectively.

Unconditional promises to give that are expected to be collected within one year are recorded at estimated 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 discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue in the accompanying Statements of Activities and Net Assets. Conditional promises to give are not included as contribution revenue until the conditions are substantially met.

E. Accounts receivable, net of allowances for uncollectible accounts, are recorded at the amounts of cash estimated as realizable. PPC provides reserves for uncollectible accounts when specific accounts are deemed uncollectible. Accounts receivable are considered delinquent based upon how recently payments have been received. At December 31, 2010, accounts receivable

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

consisted of amounts due from the City for repairs and maintenance. At December 31, 2009, accounts receivable consisted of a vendor credit of \$21,000 and amounts due from the City for repairs and maintenance costs incurred in 2009. PPC considers all amounts collectible; therefore, an allowance for uncollectible accounts has not been recorded.

F. PPC records donated services as contribution revenue and expense if the services create or enhance a non-financial asset, or the services would (1) need to be purchased by the Organization if not provided by contribution, (2) require specialized skills, and (3) are provided by individuals with those skills. Donated materials and services are reflected as contributions in the accompanying statements at their estimated value at date of receipt. During the year ended December 31, 2010, PPC recorded donated legal services totaling \$100,000, for services regarding issues with a construction contract. In addition, during the year ended December 31, 2010, PPC recorded donated materials and advertising of approximately \$486,000, primarily related to the Green Concert.

G. Net assets and support, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions using three classifications: unrestricted, temporarily restricted and permanently restricted. These three classifications are defined as follows:

Unrestricted net assets are not subject to donor-imposed stipulations, or the donor-imposed stipulations have been met or expired.

Temporarily restricted net assets are those net assets subject to donor-imposed restrictions that permit PPC to use or expend the donated assets as specified and are satisfied either by the passage of time or by the actions of PPC. When a donor or grantor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities and Net Assets as net assets released from restrictions.

Permanently restricted net assets are those net assets subject to donor-imposed restrictions that stipulate that the resources be maintained permanently but permit PPC to use or expend part or all of the income derived from the donated assets for specified or unspecified purposes. At December 31, 2010 and 2009, PPC had no permanently restricted net assets.

H. Purchased property and equipment are capitalized at cost. Donated assets are capitalized at the fair market value of the asset on the date of contribution. Additions and replacements are charged to the property accounts, while repairs and maintenance are charged to expense as incurred. Property and equipment are depreciated over the estimated useful lives of the related assets using the straight-line method. Useful lives of these assets range from five to forty years. Depreciation expense was \$140,907 and \$130,492 for the years ended December 31, 2010 and 2009, respectively.

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

I. All highly liquid investments with initial maturities of three months or less are considered to be cash equivalents.

J. The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 support and expenses during the reporting period. Actual results could differ from those estimates.

K. The costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities and Net Assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

L. Management has evaluated subsequent events through May 17, 2011, which is the date these financial statements were available to be issued.

## **2. CAPITAL CAMPAIGN**

PPC launched its "Breaking New Ground" capital campaign (the "Campaign") in 2006. This Campaign has funded the Park's 53-acre North Woods expansion, renovation of the Park's Pool and historic Bathhouse facility and other new amenities in accordance with the Park's updated Master Plan that was approved by the City in November 2005. The goal for the Campaign's initial phase was \$41,250,000.

PPC entered into a contract with an outside fundraising advisory firm (covering the two year period ended July 1, 2008, which was extended on a month-to-month basis) to provide consulting services related to the direction and management of the Campaign. Costs incurred under this contract were \$6,333 and \$45,015 for the years ended December 31, 2010 and 2009, respectively.

## **3. PARK IMPROVEMENT PROJECTS**

During the years ended December 31, 2010 and 2009, there was extensive construction related to the North Woods project, the Well/Irrigation project, the Basketball Court and the Aquatic Center. The Aquatic Center was completed in May 2009 with the grand opening of the Aquatic Center and Greystone. Costs related to completed improvements of \$57,510 and \$8,068,535 were donated by PPC to the City during the years ended December 31, 2010 and 2009, respectively.

At December 31, 2010, improvement projects in progress include the North Woods expansion project (\$26,309,606), the Oak Hill entrance path (\$35,862), a new basketball court (\$118,000), and an irrigation system (\$303,483) to supply water to the expanded Park. The

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

North Woods expansion project is the remainder Phase 1 construction component of the Master Plan to Enhance Piedmont Park. Although intended as the infrastructure component of the Master Plan improvements, this portion of the project includes more than the 20,000 gallons of underground storm water recapture, 1,500 dark-sky cap lighting poles, well/pump and irrigation infrastructure and miles of ADA accessible paths and trails. It includes activation of 41 of the 53-acre expansion area extending the activated park's acreage from the historic park northward. This phase also includes the following above-ground amenities: the Clear Creek corridor re-naturalization, Six Springs Wetland area, Legacy Fountain and Arbor, the Promenade Lawn, the Grand Plaza, a three-acre hardwood forest now called Walker Woods, two ADA accessible public restrooms, a Maintenance Facility, four new pedestrian entrances, and the expanded Dog Park area. It is anticipated that these projects will be donated to the City in 2011.

In addition, other program costs in the accompanying Statements of Activities and Net Assets include approximately \$119,000 and \$190,000 for 2010 and 2009, respectively, of facility maintenance expenses and additional safety services that were unreimbursed by the City.

**4. PLEDGES RECEIVABLE**

At December 31, 2010 and 2009, pledges receivable consisted of the following:

	<u>2010</u>	<u>2009</u>
Receivable in less than one year	\$ 1,362,128	\$ 6,049,224
Receivable in one to five years	<u>176,000</u>	<u>1,651,716</u>
Total pledges receivable	1,538,128	7,700,940
Less allowance for uncollectible pledges	116,250	95,000
Less discount to net present value	<u>-</u>	<u>56,332</u>
Net pledges receivable	<u><u>\$ 1,421,878</u></u>	<u><u>\$ 7,549,608</u></u>

At January 1, 2009, PPC had four conditional pledges in support of the first phase of its capital campaign. Unpaid amounts under these pledges were \$11,750,000 at January 1, 2009, with future payments conditional upon PPC reaching certain campaign fundraising totals. PPC met the fundraising totals in 2009; therefore, all conditional grants have been recognized as support in the accompanying Statements of Activities and Net Assets for the year ended December 31, 2009.

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**5. LEASES**

PPC has leased park maintenance equipment under a capital lease agreement which expired in March 2010. The minimum lease payments paid in 2010 totaled \$3,822 including \$36 representing interest. The leased equipment has a recorded cost of \$61,892 and related accumulated depreciation of \$46,934 at December 31, 2010.

PPC leases a copier under a four year operating lease agreement, which expires in July 2013. The minimum lease payments due under this lease are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 5,400
2012	\$ 5,400
2013	\$ 3,150

PPC leases building space to two restaurant tenants under noncancelable operating leases with ten-year terms which expire in 2012 and 2014. The agreements provide for monthly base rental payments plus a percentage of gross annual sales over a specified amount. For the years ended December 31, 2010 and 2009, rental income from these leases totaled \$102,578 and \$92,099, respectively.

The following is a schedule of future minimum base rental payments under the leases:

<u>Year Ending December 31,</u>	<u>Amount</u>
2011	\$ 89,399
2012	\$ 45,889
2013	\$ 31,385
2014	\$ 13,077

**6. LINE OF CREDIT**

In October 2010, PPC obtained a line of credit with a financial institution which allows maximum borrowings of \$3,000,000 and matures on June 30, 2012. The line of credit was obtained to finance remaining construction under Phase 1 of the Breaking New Ground Capital Campaign project. Interest is payable monthly on outstanding borrowings at the LIBOR Market Index Rate plus 4.00%, which was 4.26063% at December 31, 2010. The line of credit is secured by a first security interest in Breaking New Ground Capital Campaign pledges. The balance on the line of credit at December 31, 2010 was \$1,100,000.

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**7. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at December 31, 2010 and 2009 are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Restricted contribution	\$ 400,000	\$ 400,000
Breaking New Ground capital projects	1,421,878	13,573,865
Other	-	2,889
	<u>          </u>	<u>          </u>
Total temporarily restricted net assets	<u>\$ 1,821,878</u>	<u>\$ 13,976,754</u>

At December 31, 2010 and 2009, temporarily restricted net assets include a contribution in the amount of \$400,000, which was restricted for use in acquiring certain real property adjacent to the Park. The property was acquired in December 1998. The donor also stipulated that if the real property is disposed of prior to December 1, 2013, \$400,000 of the sale proceeds is to be given to the Community Foundation for Greater Atlanta, Inc.

**8. RETIREMENT SAVINGS PLAN**

PPC provides a 401(k) retirement savings plan (the "Plan") covering substantially all employees. Annually, PPC contributes three percent of each eligible participant's annual compensation into a retirement savings account for that participant under the Plan. PPC employees become eligible to enter the Plan on the first January 1 or July 1 following a 90-day waiting period after their date of hire. Eligible employees may contribute pre-tax amounts via payroll deduction into their retirement savings account under the Plan. PPC contributions to participant accounts under the Plan were \$33,234 and \$29,809 for the years ended December 31, 2010 and 2009, respectively.

**9. ENDOWMENT FUND**

In 2003, a donor contributed \$1,000,000 to PPC to establish a permanent endowment fund with the Community Foundation for Greater Atlanta, Inc. (the "Foundation"). The restricted fund agreement grants ownership and control of this endowment fund to the Foundation, with annual distributions from the fund paid to PPC to help underwrite major improvements to the Park. Accordingly, the endowment fund is not recorded as an asset of PPC and is not recognized in the accompanying financial statements. The market value of this endowment fund was \$1,088,312 and \$1,030,760 at December 31, 2010 and 2009, respectively. Distributions to PPC from this endowment fund are recorded as contributions in the year they are received. Distributions of \$52,259 and \$56,253 were received from the endowment fund during the years ended December 31, 2010 and 2009, respectively.

**PIEDMONT PARK CONSERVANCY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**10. CONCENTRATIONS**

Approximately 63% of pledges receivable at December 31, 2010 was receivable from three donors.

**11. CONTINGENCIES**

Piedmont Park Conservancy, Inc. has been named as the garnishee in a lawsuit against the maintenance facility contractor. PPC has recorded a liability of \$192,000 related to this case. The court system will mandate when and to whom these payments are to be made. Additional payments of up to \$50,000 are reasonably possible, but not considered probable, under this lawsuit, and, therefore, have not been accrued in the accompanying financial statements.