

FRIENDS OF RADNOR LAKE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2012 AND 2011

FRIENDS OF RADNOR LAKE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2012 AND 2011

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INDEPENDENT AUDITOR'S REPORT</u>	1 - 2
 <u>FINANCIAL STATEMENTS</u>	
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Cash Flows	5
Statements of Functional Expenses.....	6 - 7
Notes to Financial Statements.....	8 - 16

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Friends of Radnor Lake
Nashville, Tennessee

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Friends of Radnor Lake (a not-for-profit corporation) ("FORL") which comprise the statements of financial position as of December 31, 2012 and 2011, 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.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Radnor Lake as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

KrafHCPAs PLLC

Nashville, Tennessee
July 1, 2013

FRIENDS OF RADNOR LAKE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 901,173	\$ 558,472
Restricted cash for aviary project	50,000	-
Accounts receivable - license plate fees	8,935	8,966
Accounts receivable - other	1,334	-
Contributions receivable	568,000	28,000
Inventory	1,773	1,759
Furniture and equipment, net	7,644	1,746
Land	<u>1,463,471</u>	<u>1,463,471</u>
 TOTAL ASSETS	 <u>\$ 3,002,330</u>	 <u>\$ 2,062,414</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 38,928</u>	<u>\$ 15,715</u>
 TOTAL LIABILITIES	 <u>38,928</u>	 <u>15,715</u>
NET ASSETS		
Unrestricted:		
Invested in land	1,463,471	1,463,471
Board designated	357,905	1,900
Undesignated	<u>194,004</u>	<u>447,867</u>
Total unrestricted	2,015,380	1,913,238
Temporarily restricted	<u>948,022</u>	<u>133,461</u>
 TOTAL NET ASSETS	 <u>2,963,402</u>	 <u>2,046,699</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,002,330</u>	 <u>\$ 2,062,414</u>

See accompanying notes to the financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>			<u>2011</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT						
Contributions and public support:						
Individuals, foundations and other	\$ 165,929	\$ 983,910	\$ 1,149,839	\$ 181,098	\$ 264,230	\$ 445,328
State of Tennessee grant	-	-	-	500,000	-	500,000
Donated goods and services	13,000	-	13,000	18,750	-	18,750
License plate fees	39,456	-	39,456	38,629	-	38,629
Fundraising events	119,679	-	119,679	198,680	-	198,680
Calendar and merchandise sales	14,248	-	14,248	16,498	-	16,498
Less: cost of calendar and merchandise sales	(8,137)	-	(8,137)	(8,710)	-	(8,710)
Interest income	215	53	268	243	155	398
Rental income	4,400	-	4,400	5,200	-	5,200
Net assets released from restrictions:						
Satisfaction of purpose restrictions	169,402	(169,402)	-	212,195	(212,195)	-
TOTAL REVENUES AND SUPPORT	<u>518,192</u>	<u>814,561</u>	<u>1,332,753</u>	<u>1,162,583</u>	<u>52,190</u>	<u>1,214,773</u>
EXPENSES						
Program services						
Land grant to the State of Tennessee	-	-	-	941,735	-	941,735
Other program services	329,683	-	329,683	195,205	-	195,205
Supporting services:						
Management and general	54,674	-	54,674	48,838	-	48,838
Fundraising	31,693	-	31,693	34,224	-	34,224
TOTAL EXPENSES	<u>416,050</u>	<u>-</u>	<u>416,050</u>	<u>1,220,002</u>	<u>-</u>	<u>1,220,002</u>
CHANGE IN NET ASSETS	102,142	814,561	916,703	(57,419)	52,190	(5,229)
NET ASSETS - BEGINNING OF YEAR	<u>1,913,238</u>	<u>133,461</u>	<u>2,046,699</u>	<u>1,970,657</u>	<u>81,271</u>	<u>2,051,928</u>
NET ASSETS - END OF YEAR	<u>\$ 2,015,380</u>	<u>\$ 948,022</u>	<u>\$ 2,963,402</u>	<u>\$ 1,913,238</u>	<u>\$ 133,461</u>	<u>\$ 2,046,699</u>

See accompanying notes to the financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 916,703	\$ (5,229)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,002	1,158
Land grant to the State of Tennessee	-	941,735
Cash paid for purchase of land and related costs	-	(3,950)
(Increase) decrease in:		
Accounts receivable - license plate fees	31	62
Accounts receivable - other	(1,334)	5,005
Contributions receivable	(540,000)	(28,000)
Inventory	(14)	(403)
Increase (decrease) in:		
Accounts payable and accrued expenses	<u>23,213</u>	<u>(17,739)</u>
TOTAL ADJUSTMENTS	<u>(517,102)</u>	<u>897,868</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>399,601</u>	<u>892,639</u>
NET CASH USED IN INVESTING ACTIVITIES		
Purchase of equipment	(6,900)	-
Change in restricted cash	<u>(50,000)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(56,900)</u>	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES		
Payment on note payable	<u>-</u>	<u>(600,000)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>(600,000)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	342,701	292,639
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>558,472</u>	<u>265,833</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 901,173</u>	<u>\$ 558,472</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	<u>\$ -</u>	<u>17,042</u>

See accompanying notes to the financial statements.

FRIENDS OF RADNOR LAKE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2012

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		MANAGEMENT AND GENERAL	FUNDRAISING	
Salaries	\$ 36,322	\$ 29,058	\$ 7,264	\$ 72,644
FICA payroll expenses	3,142	2,513	628	6,283
Accounting fees	-	8,150	-	8,150
Bank and credit card service charges	-	265	1,500	1,765
Calendar expense:				
Cost of sales - actual	-	-	5,137	5,137
Cost of sales - donated	-	-	3,000	3,000
Promotional gifts	-	-	2,565	2,565
Computer maintenance	-	228	-	228
Computer, software and database	-	1,799	-	1,799
Contract labor	1,073	858	214	2,145
Depreciation	-	1,002	-	1,002
Dues and subscriptions	-	220	-	220
Events	10,948	-	10,948	21,896
General office postage	191	287	477	955
General office printing	-	570	-	570
General office supplies	-	907	908	1,815
Gifts and environmental awards	2,788	2,787	-	5,575
Insurance	-	1,989	-	1,989
Junior ranger program	9,511	-	-	9,511
Land acquisition costs - actual	89,607	-	-	89,607
Land acquisition costs - donated	10,000	-	-	10,000
Marketing - actual	460	-	-	460
Meetings and training	1,268	1,267	3,803	6,338
Memorials	205	-	-	205
Newsletter	4,978	-	2,134	7,112
Park support	142,559	-	-	142,559
Property taxes	14,827	-	-	14,827
Rent	-	1,200	-	1,200
State and federal fees	-	322	-	322
Telephone and internet	994	1,160	1,160	3,314
Volunteerism and neighborhood outreach	70	-	-	70
Web site maintenance	740	92	92	924
TOTAL EXPENSES	329,683	54,674	39,830	424,187
Less expenses included with revenues on the statement of activities as cost of sales	-	-	(8,137)	(8,137)
TOTAL EXPENSES INCLUDED IN EXPENSE				
SECTION OF THE STATEMENT OF ACTIVITIES	<u>\$ 329,683</u>	<u>\$ 54,674</u>	<u>\$ 31,693</u>	<u>\$ 416,050</u>

See accompanying notes to the financial statements.

FRIENDS OF RADNOR LAKE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>SUPPORTING SERVICES</u>			
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 33,110	\$ 26,488	\$ 6,621	\$ 66,219
FICA payroll expenses	2,397	1,918	480	4,795
Accounting fees	-	7,900	-	7,900
Audubon grant	2,500	-	-	2,500
Bank and credit card service charges	-	262	1,484	1,746
Calendar expense:				
Cost of sales - actual	-	-	7,210	7,210
Cost of sales - donated	-	-	1,500	1,500
Promotional gifts	-	-	2,479	2,479
Computer maintenance	-	317	-	317
Computer, software and database	-	20	-	20
Depreciation	-	1,158	-	1,158
Dues and subscriptions	-	445	-	445
Environmental education	1,961	-	-	1,961
Events	17,007	-	17,007	34,014
Frist technology grant	1,072	1,609	-	2,681
General office postage	276	415	691	1,382
General office printing	-	85	-	85
General office supplies	-	527	528	1,055
Gifts and environmental awards	2,904	2,903	-	5,807
Insurance	-	1,840	-	1,840
Interest expense	17,042	-	-	17,042
Junior ranger program	330	-	-	330
Land acquisition costs - actual	203	-	-	203
Land acquisition costs - donated	9,300	-	-	9,300
Land grant to the State of Tennessee	941,735	-	-	941,735
Marketing - actual	2,807	-	-	2,807
Marketing - donated	7,950	-	-	7,950
Meetings and training	430	431	1,291	2,152
Newsletter	5,991	-	2,568	8,559
Park support	75,665	-	-	75,665
Property taxes	13,286	-	-	13,286
Rent	-	1,100	-	1,100
State and federal fees	-	345	-	345
Telephone and internet	916	1,068	1,068	3,052
Web site maintenance	58	7	7	72
TOTAL EXPENSES	1,136,940	48,838	42,934	1,228,712
Less expenses included with revenues on the statement of activities as cost of sales	-	-	(8,710)	(8,710)
TOTAL EXPENSES INCLUDED IN EXPENSE				
SECTION OF THE STATEMENT OF ACTIVITIES	\$ 1,136,940	\$ 48,838	\$ 34,224	\$ 1,220,002

See accompanying notes to the financial statements.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Friends of Radnor Lake ("FORL") is a Tennessee not-for-profit corporation. Its purpose is to protect, preserve and promote the natural environment, habitat, facilities and equipment of Radnor Lake State Natural Area and to educate the general public on the importance of the area.

Basis of Presentation

The accompanying financial statements present the financial position and changes in net assets of FORL on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Resources are classified as unrestricted, temporarily restricted or permanently restricted net assets, based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets, since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested and the income or specific portions thereof be used for operations. FORL had no permanently restricted net assets as of December 31, 2012 or 2011.

Cash and Cash Equivalents

Cash and cash equivalents consist principally of checking and savings account balances with financial institutions.

Contributions and Support

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

Contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor 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.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support (Continued)

FORL reports any gifts of property, equipment, or materials as unrestricted support unless explicit donor restrictions specify how the assets must be used. Gifts of long-lived assets with explicit restrictions as to how the assets are to be used or funds restricted for the acquisition of long-lived assets are reported as restricted support. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

FORL receives grant revenue from the State of Tennessee. Grant revenue is recognized in the period a liability is incurred for eligible expenditures or transfers of property under the terms of the grant.

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, which was determined to be insignificant as of December 31, 2012 and 2011. Conditional promises to give are not included as support until such time as the conditions are substantially met.

An allowance for uncollectible contributions is provided based on management's estimate of uncollectible pledges and historical trends. Contributions receivable are written off when deemed to be uncollectible. In management's opinion, no allowance for uncollectible pledges was necessary as of December 31, 2012 and 2011.

License Plate Fees

License plate fees are collected on behalf of FORL by the State of Tennessee when individuals purchase or renew specialty license plates. These fees are recognized by FORL as revenue in the month collected by the State.

Inventory

Inventory is reported at the lower of cost (first-in, first-out method) or market.

Furniture, Equipment and Land

Furniture, equipment and land are reported at cost at the date of purchase or at estimated fair value at date of gift to the FORL. FORL's policy is to capitalize items with a cost of \$500 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from five to fifteen years.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

FORL qualifies as a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income taxes are not provided.

Management performs an evaluation of all income tax positions taken or expected to be taken in the course of preparing FORL's income tax returns to determine whether the income tax positions meet a "more likely than not" standard of being sustained under examination by the applicable taxing authorities. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

FORL files a U.S. Federal Form 990 for organizations exempt from income tax. FORL's returns for years prior to fiscal year 2009 are no longer open to examination.

Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Program Services - consists of programs to acquire land to be donated to the natural area, protect and maintain the environment, improve the natural area and educate the general public about the Radnor Lake State Natural Area.

Management and General - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Includes costs associated with providing coordination and articulation of FORL'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 and calendar sales. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Expenses that relate to more than one function are allocated among applicable functions on the basis of objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012 AND 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Property, Goods, Services and Interest Expense

Property, professional services, and goods received as donations are reflected as support in the accompanying financial statements at their estimated or appraised fair value in the period received.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with GAAP 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 amounts in the prior year financial statements have been reclassified to conform to the current year's presentation. Such reclassifications had no effect on the results of operations or net assets as previously reported.

Events Occurring After Reporting Date

FORL has evaluated events and transactions that occurred between December 31, 2012 and July 1, 2013, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - CONTRIBUTIONS RECEIVABLE

Contributions receivable were due as follows as of December 31:

	<u>2012</u>	<u>2011</u>
In less than one year	\$ 464,000	\$ 12,000
In one to five years	<u>104,000</u>	<u>16,000</u>
	<u>\$ 568,000</u>	<u>\$ 28,000</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012 AND 2011

NOTE 3 - FURNITURE AND EQUIPMENT

Furniture and equipment consisted of the following as of December 31:

	<u>2012</u>	<u>2011</u>
Furniture and equipment	\$ 48,203	\$ 41,303
Less accumulated depreciation	<u>(40,559)</u>	<u>(39,557)</u>
Furniture and equipment, net	<u>\$ 7,644</u>	<u>\$ 1,746</u>

NOTE 4 - LAND

Land tracts acquired surround the Radnor Lake State Natural Area. FORL intends either to sell or donate the land to the State of Tennessee for future expansion of the Radnor Lake State Natural Area.

Land consisted of the following as of December 31:

	<u>2012</u>	<u>2011</u>
Cheek property, and related costs	\$ 365,432	\$ 365,432
Ansley donated property	325,000	325,000
Foster property, and related costs	5,044	5,044
Civic Bank property, and related costs	<u>767,995</u>	<u>767,995</u>
Total	<u>\$ 1,463,471</u>	<u>\$ 1,463,471</u>

In December 2010, FORL purchased 37 acres of land for \$900,000, referred to as the Harris property. FORL paid \$300,000 in cash for the property and funded the remainder with a note payable to the sellers of the property. In November 2011, FORL transferred the Harris property to the State of Tennessee in accordance with a grant agreement under which FORL received \$500,000. The \$941,735 carrying value and cost associated with the transfer of this property was recognized in the 2011 Statement of Functional Expenses as a land grant to the State of Tennessee.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012 AND 2011

NOTE 5 - PROGRAM ACCOMPLISHMENTS

Total program accomplishments by FORL consist of program services and land acquisitions, as follows for the years ended December 31:

	<u>2012</u>	<u>2011</u>
Program Services:		
Costs related to land acquisition, grants and other contracts	\$ 89,607	\$ -
Prior year land acquisitions, granted to the State of Tennessee	-	941,735
Other program services	<u>240,076</u>	<u>195,205</u>
Total	<u>\$ 329,683</u>	<u>\$ 1,136,940</u>

NOTE 6 - PARK SUPPORT

Park support on the Statements of Functional Expenses consists of the following for the years ended December 31:

	<u>2012</u>	<u>2011</u>
General park support	\$ 7,051	\$ 4,923
Ansley home maintenance	2,255	1,896
Aviary project	7,095	8,280
Bridge construction	62,825	-
Vistor center display project	-	2,075
Ganier Ridge trail maintenance	5,094	-
Environmental pipeline study	5,000	-
REI Grant:		
Valve house	9,444	727
Volunteerism	4,314	-
General	-	11,512
Forestry grant	750	14,000
Forest Hills grant, flood restoration	38,731	11,142
Maddox waterfowl ID grant	-	15,075
Mapp reptile grant	<u>-</u>	<u>6,035</u>
Total	<u>\$ 142,559</u>	<u>\$ 75,665</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012 AND 2011

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Changes in temporarily restricted net assets for the year ended December 31, 2012 were as follows:

	2012			
	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Grants and contributions restricted for specific purposes:				
City of Forest Hills, flood restoration	\$ 38,731	\$ -	\$ (38,731)	\$ -
Other land acquisitions	45,457	6,313	(19,194)	32,576
Land opportunity fund	25,000	-	(6,000)	19,000
AWC land acquisitions	-	300,000	-	300,000
Technology equipment and training	-	6,900	(6,900)	-
Trail signage	2,000	-	-	2,000
Frist land grant	-	500,000	(79,240)	420,760
Mapp aviary grant	-	150,000	-	150,000
Forestry grant	-	750	(750)	-
REI valve house grant	9,273	-	(9,273)	-
Ganier ridge	5,000	-	(5,000)	-
REI volunteerism grant	-	5,000	(4,314)	686
Other restricted donations	-	15,000	-	15,000
Contributions receivable - time restricted	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
	<u>\$ 133,461</u>	<u>\$ 983,963</u>	<u>\$(169,402)</u>	<u>\$ 948,022</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012 AND 2011

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Changes in temporarily restricted net assets for the year ended December 31, 2011 were as follows:

	2011			
	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Grants and contributions restricted for specific purposes:				
City of Forest Hills, flood restoration	\$ 49,873	\$ -	\$ (11,142)	\$ 38,731
Other land acquisitions	-	196,485	(151,028)	45,457
Land opportunity fund	-	25,000	-	25,000
Technology equipment and training	-	2,500	(2,500)	-
Trail signage	2,000	-	-	2,000
Environmental education	2,161	-	(2,161)	-
REI grant	11,364	-	(11,364)	-
Forestry grant	-	14,000	(14,000)	-
Mapp reptile grant	5,873	-	(5,873)	-
Maddox waterfowl ID grant	10,000	-	(10,000)	-
Park support	-	900	(900)	-
Audubon grant	-	2,500	(2,500)	-
REI valve house grant	-	10,000	(727)	9,273
Ganier ridge	-	5,000	-	5,000
Contributions receivable - time restricted	-	8,000	-	8,000
	<u>\$ 81,271</u>	<u>\$ 264,385</u>	<u>\$(212,195)</u>	<u>\$ 133,461</u>

NOTE 8 - CONCENTRATION OF CREDIT RISK

During 2012, FORL received approximately 72% of its total revenues and support from three contributors. Contributions receivable from these three contributors comprised 97% of the receivable balance as of December 31, 2012. During 2011, FORL received approximately 41% of its total revenues and support from the State of Tennessee related to a grant for the transfer of a certain tract of land.

FORL maintains cash balances at financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. FORL's cash balances may, at times, exceed statutory limits. FORL has not experienced any losses in such accounts and management considers this to be a normal operating risk.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2012 AND 2011

NOTE 9 - RELATED PARTY TRANSACTIONS

Donated services included in contribution income in 2012 include in-kind contributions by Board members as follows: \$3,000 for graphic design for the 2013 calendar, \$2,500 for brokerage services for real estate acquisitions, and \$7,500 for attorney fees.

Donated services included in contribution income in 2011 include in-kind contributions by Board members as follows: \$1,500 for graphic design for the 2012 calendar, \$2,500 for brokerage services for real estate acquisitions, \$6,800 for attorney fees, and approximately \$7,950 for public relation services.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

During 2012, FORL entered into a contract with the State of Tennessee to construct an amphitheater and aviary at Radnor Lake State Natural Area. Under the contract, the State is not liable for any costs related to the construction of the project. The contract required FORL to obtain a bond for the estimated value of the project for which FORL obtained a letter of credit in the amount of \$200,000 and also has \$50,000 of restricted cash for the purpose of funding the aviary project. The letter of credit expires on October 31, 2013, but is automatically renewed for successive periods of one year. There were no borrowings under this agreement during 2012.