

FRIENDS OF RADNOR LAKE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Friends of Radnor Lake
Nashville, Tennessee

We have audited the accompanying statements of financial position of Friends of Radnor Lake (a not-for-profit corporation) ("FORL") as of December 31, 2011 and 2010, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of FORL'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 Radnor Lake as of December 31, 2011 and 2010, 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.

Nashville, Tennessee
July 2, 2012

FRIENDS OF RADNOR LAKE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 558,472	\$ 265,833
Accounts receivable - license plate fees	8,966	9,028
Accounts receivable - other	-	5,005
Contributions receivable	28,000	-
Inventory	1,759	1,356
Furniture and equipment, net	1,746	2,904
Land	<u>1,463,471</u>	<u>2,401,256</u>
TOTAL ASSETS	<u>\$ 2,062,414</u>	<u>\$ 2,685,382</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 15,715	\$ 33,454
Note payable	<u>-</u>	<u>600,000</u>
TOTAL LIABILITIES	<u>15,715</u>	<u>633,454</u>
<u>NET ASSETS</u>		
Unrestricted:		
Invested in land	1,463,471	1,801,256
Board designated	1,900	2,230
Undesignated	<u>447,867</u>	<u>167,171</u>
Total unrestricted	1,913,238	1,970,657
Temporarily restricted	<u>133,461</u>	<u>81,271</u>
TOTAL NET ASSETS	<u>2,046,699</u>	<u>2,051,928</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,062,414</u>	<u>\$ 2,685,382</u>

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

FRIENDS OF RADNOR LAKE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011			2010		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT						
Contributions and public support:						
Individuals, foundations and other	\$ 181,098	\$ 264,230	\$ 445,328	\$ 124,434	\$ 922,634	\$ 1,047,068
State of Tennessee grant	500,000	-	500,000	500,000	-	500,000
Donated goods, services and interest expense	18,750	-	18,750	43,784	-	43,784
License plate fees	38,629	-	38,629	38,534	-	38,534
Fundraising events	198,680	-	198,680	36,010	-	36,010
Calendar and merchandise sales	16,498	-	16,498	16,375	-	16,375
Less: cost of calendar and merchandise sales	(8,710)	-	(8,710)	(8,838)	-	(8,838)
Interest income	243	155	398	5,565	3	5,568
Rental income	5,200	-	5,200	4,800	-	4,800
Net assets released from restrictions:						
Satisfaction of purpose restrictions	212,195	(212,195)	-	847,622	(847,622)	-
TOTAL REVENUES AND SUPPORT	<u>1,162,583</u>	<u>52,190</u>	<u>1,214,773</u>	<u>1,608,286</u>	<u>75,015</u>	<u>1,683,301</u>
EXPENSES						
Program services						
Land acquisition, grants and other contract costs	-	-	-	6,853	-	6,853
Land grant to the State of Tennessee	941,735	-	941,735	1,987,999	-	1,987,999
Other program services	195,205	-	195,205	196,592	-	196,592
Supporting services:						
Management and general	48,838	-	48,838	43,885	-	43,885
Fundraising	34,224	-	34,224	25,770	-	25,770
TOTAL EXPENSES	<u>1,220,002</u>	<u>-</u>	<u>1,220,002</u>	<u>2,261,099</u>	<u>-</u>	<u>2,261,099</u>
CHANGE IN NET ASSETS	(57,419)	52,190	(5,229)	(652,813)	75,015	(577,798)
NET ASSETS - BEGINNING OF YEAR	<u>1,970,657</u>	<u>81,271</u>	<u>2,051,928</u>	<u>2,623,470</u>	<u>6,256</u>	<u>2,629,726</u>
NET ASSETS - END 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>

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

FRIENDS OF RADNOR LAKE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (5,229)	\$ (577,798)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,158	1,805
Land grant to the State of Tennessee	941,735	1,987,999
Cash paid for purchase of land and related costs	(3,950)	(1,105,780)
(Increase) decrease in:		
Accounts receivable - license plate fees	62	219
Accounts receivable - other	5,005	(4,405)
Contributions receivable	(28,000)	-
Inventory	(403)	2,090
Increase (decrease) in:		
Accounts payable and accrued expenses	(17,739)	28,912
Grantor advance	<u>-</u>	<u>(500,000)</u>
TOTAL ADJUSTMENTS	<u>897,868</u>	<u>410,840</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>892,639</u>	<u>(166,958)</u>
NET CASH USED IN FINANCING ACTIVITIES		
Payment on note payable	<u>(600,000)</u>	<u>(300,000)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(600,000)</u>	<u>(300,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	292,639	(466,958)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>265,833</u>	<u>732,791</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 558,472</u>	<u>\$ 265,833</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	<u>\$ 17,042</u>	<u>-</u>

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

FRIENDS OF RADNOR LAKE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2011

	PROGRAM SERVICES	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
		<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	
Salaries and wages and related payroll taxes	\$ 35,507	\$ 28,406	\$ 7,101	\$ 71,014
Accounting fees	-	7,900	-	7,900
Audubon grant	2,500	-	-	2,500
Bank fees	-	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	-	337	-	337
Depreciation	-	1,158	-	1,158
Dues and subscriptions	-	445	-	445
Environmental education	1,961	-	-	1,961
Events	17,007	-	17,007	34,014
Fees	-	345	-	345
Forest Hills grant, flood restoration	11,142	-	-	11,142
Forestry grant	14,000	-	-	14,000
Frist technology grant	1,072	1,609	-	2,681
General office printing	-	85	-	85
Gifts and awards	2,904	2,903	-	5,807
Hospitality	430	431	1,291	2,152
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
Maddox waterfowl ID grant	15,075	-	-	15,075
Mapp reptile grant	6,035	-	-	6,035
Newsletter	5,991	-	2,568	8,559
Park support	17,174	-	-	17,174
Postage and handling	276	415	691	1,382
Property taxes	13,286	-	-	13,286
Public relations - actual	2,807	-	-	2,807
Public relations - donated	7,950	-	-	7,950
REI grant	12,239	-	-	12,239
Rent	-	1,100	-	1,100
Supplies	-	527	528	1,055
Telephone	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

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

FRIENDS OF RADNOR LAKE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		MANAGEMENT AND GENERAL	FUNDRAISING	
Salaries and wages and related payroll taxes	\$ 32,180	\$ 25,744	\$ 6,435	\$ 64,359
Accounting fees	-	7,400	-	7,400
Bank fees	-	212	1,201	1,413
Calendar expense:				
Cost of sales - actual	-	-	7,338	7,338
Cost of sales - donated	-	-	1,500	1,500
Promotional gifts	-	-	2,765	2,765
Computer maintenance	-	342	-	342
Depreciation	-	1,805	-	1,805
Dues and subscriptions	-	411	-	411
Environmental education	97	-	-	97
Events	3,914	-	3,914	7,828
Donated services - other	1,000	-	1,000	2,000
Fees	-	360	-	360
Flood relief	12,045	-	-	12,045
Forest Hills grant, flood restoration	50,127	-	-	50,127
Forestry grant	14,453	-	-	14,453
Frist technology grant	50	74	-	124
Gifts and awards	1,363	1,362	-	2,725
Hospitality	-	287	1,150	1,437
In-kind interest expense	5,271	-	-	5,271
Insurance	-	1,840	-	1,840
Junior ranger program	10,711	-	-	10,711
Land acquisition costs	6,853	-	-	6,853
Land grant to the State of Tennessee	1,987,999	-	-	1,987,999
Mapp reptile grant	6,945	-	-	6,945
Membership outreach	250	-	250	500
Newsletter	6,792	-	2,911	9,703
Park support	6,621	-	-	6,621
Postage and handling	-	440	439	879
General office printing	-	987	-	987
Property taxes	28,792	-	-	28,792
REI grant	4,109	-	-	4,109
Rent	-	1,200	-	1,200
Public relations - actual	365	-	156	521
Public relations - donated	9,635	-	4,129	13,764
Supplies	-	269	268	537
Telephone	881	1,028	1,028	2,937
Web site maintenance	991	124	124	1,239
TOTAL EXPENSES	2,191,444	43,885	34,608	2,269,937
Less expenses included with revenues on the statement of activities as cost of sales	-	-	(8,838)	(8,838)
TOTAL EXPENSES INCLUDED IN EXPENSE				
SECTION OF THE STATEMENT OF ACTIVITIES	\$ 2,191,444	\$ 43,885	\$ 25,770	\$ 2,261,099

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

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

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, 2011 or 2010.

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, 2011 AND 2010

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, 2011. Conditional promises to give are not included as support until such time as the conditions are substantially met. Contributions receivable at December 31, 2011 were \$28,000, which is expected to be collected as follows: 2012 - \$12,000, 2013 - \$12,000, 2014 - \$2,000, and 2015 - \$2,000. There were no contributions receivable at December 31, 2010.

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, 2011 and 2010.

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, 2011 AND 2010

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 2008 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, 2011 AND 2010

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. For the year ended December 31, 2011, \$18,750 in donated services (legal, real estate, marketing and graphic design services) was recorded in the accompanying Statement of Activities (\$43,784 in donated legal, real estate, marketing and graphic design services for the year ended December 31, 2010).

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

A reclassification to the prior year financial statements was made to reduce the land cost and increase accounts receivable by \$5,005, due to the overpayment of closing cost on the Civic Bank property, which was refunded in 2011. This reclassification had no effect on the change in net assets previously report.

Events Occurring After Reporting Date

FORL has evaluated events and transactions that occurred between December 31, 2011 and July 2, 2012, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

NOTE 2 - FURNITURE AND EQUIPMENT

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

	<u>2011</u>	<u>2010</u>
Furniture and equipment	\$ 41,303	\$ 41,303
Less accumulated depreciation	<u>(39,557)</u>	<u>(38,399)</u>
Furniture and equipment, net	<u>\$ 1,746</u>	<u>\$ 2,904</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2011 AND 2010

NOTE 3 - 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>2011</u>	<u>2010</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
Harris Property, and related cost	-	937,785
Civic Bank property, and related costs	<u>767,995</u>	<u>767,995</u>
Total	<u>\$ 1,463,471</u>	<u>\$ 2,401,256</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.

During 2010, FORL transferred the Campbell, Yarbrough, and Beck properties and part of the Cheek property to the State of Tennessee in accordance with a grant agreement under which FORL received \$500,000. The \$1,987,999 carrying value of these properties was recognized in the 2010 Statement of Functional Expenses as a land grant to the State of Tennessee.

In July 2010, FORL purchased 10 acres of land for \$750,000 from Civic Bank. This purchase was funded by a grant from the City of Oak Hill, Tennessee.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2011 AND 2010

NOTE 4 - PROGRAM ACCOMPLISHMENTS

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

	<u>2011</u>	<u>2010</u>
Program Services:		
Costs related to land acquisition, grants and other contracts	\$ -	\$ 6,853
Prior year land acquisitions, granted to the State of Tennessee	941,735	1,987,999
Other program services	195,205	196,592
Land acquisitions (including donated and financed amount)	<u>-</u>	<u>1,705,780</u>
Total	<u>\$ 1,136,940</u>	<u>\$ 3,897,224</u>

NOTE 5 - NOTE PAYABLE

In connection with the purchase of the Yarbrough property during 2008, FORL issued a note payable to the sellers in the amount of \$400,000. The note was non-interest bearing and required four annual installments of \$100,000 each, beginning in 2009 and continuing through 2012. In October 2010, the note was paid in full. Imputed interest in the amount of \$5,271 is reported as contribution revenue and interest expense for the year ended December 31, 2010.

On December 30, 2010, FORL issued a note payable to the sellers of the Harris property in the amount of \$600,000. The note required six annual installments of \$100,000 each payable on December 30, 2011 through 2016. Interest on the loan was payable annually with the principal installment at an interest rate equal to the prime rate as published in the Wall Street Journal, adjusted on December 30 each year. There was no interest expense for the year ended December 31, 2010 related to this note. In 2011, FORL paid the note in full when the Harris property was transferred to the State of Tennessee. Interest expense for the year ended December 31, 2011 was \$17,042 related to this note.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2011 AND 2010

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

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	-	176,485	(151,028)	25,457
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 value house grant	-	10,000	(727)	9,273
Ganier ridge	-	5,000	-	5,000
Contributions receivable - time restricted	-	28,000	-	28,000
	<u>\$ 81,271</u>	<u>\$ 264,385</u>	<u>\$(212,195)</u>	<u>\$ 133,461</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2011 AND 2010

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Changes in temporarily restricted net assets for the year ended December 31, 2010 were as follows:

	2010			
	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Grants and contributions restricted for specific purposes:				
City of Oak Hill, land acquisition	\$ -	\$ 750,000	\$(750,000)	\$ -
City of Forest Hills, flood restoration	-	100,000	(50,127)	49,873
Other land acquisitions	-	7,483	(7,483)	-
Technology equipment and training	84	-	(84)	-
Trail signage	2,000	-	-	2,000
Junior ranger program	441	2,500	(2,941)	-
Environmental education	2,258	-	(97)	2,161
REI grant	1,473	14,000	(4,109)	11,364
Flood relief	-	11,383	(11,383)	-
Forestry grant	-	14,453	(14,453)	-
Mapp reptile grant	-	12,818	(6,945)	5,873
Maddox waterfowl ID grant	-	10,000	-	10,000
	<u>\$ 6,256</u>	<u>\$ 922,637</u>	<u>\$(847,622)</u>	<u>\$ 81,271</u>

NOTE 7 - CONCENTRATION OF CREDIT RISK

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 (approximately 30% during 2010). In addition, during 2010, the City of Oak Hill made a grant for the purchase of a parcel of land, which accounted for 44% of total revenue and support.

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, 2011 AND 2010

NOTE 8 - RELATED PARTY TRANSACTIONS

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.

Donated services included in contribution income in 2010 include in-kind contributions by Board members as follows: \$1,500 for graphic design for the 2011 calendar, \$2,000 for costs relating to a fundraising event, \$2,500 for brokerage services for real estate acquisitions, \$18,750 for attorney fees, and approximately \$13,750 for public relation services.