

FRIENDS OF RADNOR LAKE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Friends of Radnor Lake
Nashville, Tennessee

OPINION

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 June 30, 2023 and 2022, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

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 June 30, 2023 and 2022, 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.

BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FORL and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

RESPONSIBILITIES OF MANAGEMENT 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the FORL's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, internal omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 FORL's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about FORL's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink that reads "Kraft CPAs PLLC". The signature is written in a cursive, flowing style.

Nashville, Tennessee
December 26, 2023

FRIENDS OF RADNOR LAKE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 962,818	\$ 1,562,674
Accounts receivable - license plate fees	15,532	13,491
Contributions receivable, net	-	24,993
Property and equipment, net	63,760	67,568
Land	2,263,242	7,398,706
Other assets	<u>14,000</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 3,319,352</u>	<u>\$ 9,067,432</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 16,139	\$ 43,586
Note payable	<u>-</u>	<u>5,085,592</u>
TOTAL LIABILITIES	<u>16,139</u>	<u>5,129,178</u>
NET ASSETS		
Without donor restrictions:		
Undesignated	854,813	921,070
Board-designated	50,000	50,000
Invested in property and equipment	63,760	67,568
Invested in land, less related debt	<u>2,263,242</u>	<u>2,313,114</u>
Total without donor restrictions	3,231,815	3,351,752
With donor restrictions	<u>71,398</u>	<u>586,502</u>
TOTAL NET ASSETS	<u>3,303,213</u>	<u>3,938,254</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,319,352</u>	<u>\$ 9,067,432</u>

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Contributions and public support:						
Individuals, foundations and other, net of present value discount	\$ 403,816	\$ 62,001	\$ 465,817	\$ 390,136	\$ 153,647	\$ 543,783
Donated goods and services	33,325	-	33,325	34,325	-	34,325
License plate fees	60,847	-	60,847	53,333	-	53,333
Fundraising events	87,468	-	87,468	183,997	-	183,997
Less: cost of fundraising events	(27,143)	-	(27,143)	(63,100)	-	(63,100)
Calendar and merchandise sales	13,623	-	13,623	17,150	-	17,150
Less: cost of calendar and merchandise sales	(21,614)	-	(21,614)	(16,128)	-	(16,128)
Interest income	27,499	-	27,499	3,377	-	3,377
Other income	7,818	-	7,818	7,467	-	7,467
Net assets released from restrictions:						
Satisfaction of time or purpose restrictions	577,105	(577,105)	-	119,158	(119,158)	-
TOTAL REVENUES AND SUPPORT	1,162,744	(515,104)	647,640	729,715	34,489	764,204
EXPENSES						
Program services	1,121,806	-	1,121,806	360,055	-	360,055
Supporting services:						
Management and general	96,414	-	96,414	78,366	-	78,366
Fundraising	64,461	-	64,461	55,433	-	55,433
TOTAL EXPENSES	1,282,681	-	1,282,681	493,854	-	493,854
CHANGE IN NET ASSETS	(119,937)	(515,104)	(635,041)	235,861	34,489	270,350
NET ASSETS - BEGINNING OF YEAR	3,351,752	586,502	3,938,254	3,115,891	552,013	3,667,904
NET ASSETS - END OF YEAR	\$ 3,231,815	\$ 71,398	\$ 3,303,213	\$ 3,351,752	\$ 586,502	\$ 3,938,254

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (635,041)	\$ 270,350
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	3,808	3,808
Land grant to the State of Tennessee	835,464	-
(Increase) decrease in:		
Accounts receivable - license plate fees	(2,041)	(699)
Contributions receivable	24,993	24,820
Other assets	(14,000)	-
(Decrease) increase in:		
Accounts payable and accrued expenses	(27,447)	(2,960)
TOTAL ADJUSTMENTS	<u>820,777</u>	<u>24,969</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>185,736</u>	<u>295,319</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash paid for purchase of land and related costs	-	(128,480)
Proceeds received for transfer of land to State of Tennessee	<u>4,300,000</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>4,300,000</u>	<u>(128,480)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on note payable	<u>(5,085,592)</u>	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(5,085,592)</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(599,856)	166,839
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,562,674</u>	<u>1,395,835</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 962,818</u>	<u>\$ 1,562,674</u>
SUPPLEMENTAL CASH FLOW DISCLOSURES		
Land acquisition financed with note payable	<u>\$ -</u>	<u>\$ 5,085,592</u>
Cash paid for interest	<u>\$ 107,146</u>	<u>\$ -</u>

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

		<u>SUPPORTING SERVICES</u>		
	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Compensation	\$ 17,889	\$ 35,779	\$ 35,779	\$ 89,447
Accounting fees	-	17,497	-	17,497
Calendar expense:				
Cost of sales - actual	-	-	14,489	14,489
Cost of sales - donated	-	-	7,125	7,125
Construction - donated	1,200	-	-	1,200
Contract labor	11,462	1,638	3,275	16,375
Depreciation	-	3,808	-	3,808
Fundraising events	-	-	27,143	27,143
Gifts and environmental awards	5,685	5,684	-	11,369
Information technology	680	5,316	850	6,846
Insurance	-	4,694	-	4,694
Interest	68,580	-	-	68,580
Land acquisition costs - actual	9,504	-	-	9,504
Land acquisition costs - donated	25,000	-	-	25,000
Land grant to the State of Tennessee	835,464	-	-	835,464
Marketing	11,166	-	11,166	22,332
Meetings and training	137	138	413	688
Newsletter	3,199	-	3,199	6,398
Office expenses	308	20,634	8,554	29,496
Park support	89,547	-	-	89,547
Special projects:				
Native grasslands initiative	35,735	-	-	35,735
Stipends	5,200	-	-	5,200
Telephone and internet	1,050	1,226	1,225	3,501
TOTAL EXPENSES	<u>1,121,806</u>	<u>96,414</u>	<u>113,218</u>	<u>1,331,438</u>
Less expenses included with revenues on the statements of activities as:				
Cost of sales	-	-	(21,614)	(21,614)
Cost of fundraising events	-	-	(27,143)	(27,143)
	<u>-</u>	<u>-</u>	<u>(48,757)</u>	<u>(48,757)</u>
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF THE STATEMENTS OF ACTIVITIES	<u>\$ 1,121,806</u>	<u>\$ 96,414</u>	<u>\$ 64,461</u>	<u>\$ 1,282,681</u>

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022

		<u>SUPPORTING SERVICES</u>		
	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u> <u>AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Compensation	\$ 17,901	\$ 35,801	\$ 35,801	\$ 89,503
Accounting fees	-	12,237	-	12,237
Calendar expense:				
Cost of sales - actual	-	-	13,503	13,503
Cost of sales - donated	-	-	2,625	2,625
Construction - donated	700	-	-	700
Contract labor	11,629	1,661	3,323	16,613
Depreciation	-	3,808	-	3,808
Fundraising events	-	-	63,100	63,100
Gifts and environmental awards	1,538	1,537	-	3,075
Information technology	720	2,109	900	3,729
Insurance	-	5,265	-	5,265
Interest	38,566	-	-	38,566
Land acquisition costs - actual	19,978	-	-	19,978
Land acquisition costs - donated	30,000	-	-	30,000
Marketing - actual	8,412	-	-	8,412
Marketing - donated	1,000	-	-	1,000
Meetings and training	589	589	1,767	2,945
Newsletter	5,834	-	5,834	11,668
Office expenses	375	14,124	6,574	21,073
Park support	80,354	-	-	80,354
Special projects:				
Bridge expenses	66,574	-	-	66,574
Harris Ridge trail	10,292	-	-	10,292
Native grasslands initiative	56,935	-	-	56,935
Stipends	7,600	-	-	7,600
Telephone and internet	1,058	1,235	1,234	3,527
TOTAL EXPENSES	360,055	78,366	134,661	573,082
Less expenses included with revenues on the statements of activities as:				
Cost of sales	-	-	(16,128)	(16,128)
Cost of fundraising events	-	-	(63,100)	(63,100)
	-	-	(79,228)	(79,228)
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF THE STATEMENTS OF ACTIVITIES	\$ 360,055	\$ 78,366	\$ 55,433	\$ 493,854

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 net assets without donor restrictions or with donor restrictions based on the existence or absence of donor-imposed restrictions, as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of FORL's management and the Board of Trustees.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of FORL or by the passage of time. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There are currently no donor restrictions that are perpetual in nature.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

Revenues and Support

Contributions and public support are recognized when cash, securities or other assets, or an unconditional promise to give are received. A contribution is conditional if an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of promisor's obligation to transfer assets exists. The presence of both a barrier and a right of return or right of release indicates that a recipient is not entitled to the contribution until it has overcome the barrier(s) in the agreement. Conditional promises to give are not recognized until the barrier(s) in the agreement are overcome. There are no conditional contributions recorded on FORL's financial statements as of June 30, 2023 and 2022. Noncash contributions are recorded at the estimated fair value at the date of the gift.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and Support (Continued)

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

Donated services are recognized if they create or enhance non-financial assets or the donated service requires specialized skills, were performed by a donor who possesses such skills and would have been purchased by FORL if not donated. Such services are recognized at estimated fair value as support and expense in the period the services are performed.

FORL reports any gifts of property, equipment or materials as support without donor restrictions 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 support with donor restrictions. Expirations of donor restrictions are recognized when the donated or acquired long-lived assets are placed in service.

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.

Calendar and merchandise sales are recognized by FORL when control of the product is transferred to the customer, which is the completion of FORL's performance obligation.

Cash and Cash Equivalents

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

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their estimated 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. The discount on those amounts is computed using the risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is recognized on the interest method over the term of the gift and included in contribution revenue. Conditional promises to give are not included as support until 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 June 30, 2023 and 2022.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Equipment and Land

Property, equipment and land are reported at cost at the date of purchase or at estimated fair value at the date of gift to FORL. FORL's policy is to capitalize items with a cost of \$5,000 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 thirty years.

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. FORL files a U.S. Federal Form 990 for organizations exempt from income tax.

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.

Program and Supporting Services

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

Program Services - includes activities carried out to fulfill FORL's mission including 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 - relates to the overall direction of the organization. These expenses are not identifiable with a particular program but are indispensable to the conduct of those activities and are essential to FORL. Specific activities include organization oversight, coordination and articulation of FORL's program strategy, business management, record keeping, budgeting, financing and other administrative activities.

Fundraising - includes costs of activities directed toward appeals for financial support, including fundraising events and calendar and merchandise sales. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 1 - 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. 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. The expenses that are allocated include compensation, contract labor, gifts and environmental awards, information technology, marketing, meetings and training, newsletter, office expenses and telephone and internet, which are allocated on the basis of estimates of time and effort.

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 net assets or the change in net assets as previously reported.

Events Occurring After Reporting Date

FORL has evaluated events and transactions that occurred between June 30, 2023 and December 26, 2023, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents FORL's financial assets as of June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 962,818	\$ 1,562,674
Accounts receivable - license plate fees	15,532	13,491
Contributions receivable, net	<u>-</u>	<u>24,993</u>
Total financial assets	<u>978,350</u>	<u>1,601,158</u>
Less amounts not available to be used within one year:		
Restricted by board	(50,000)	(50,000)
Restricted by donor with time or purpose restrictions	<u>(71,398)</u>	<u>(586,502)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 856,952</u>	<u>\$ 964,656</u>

As a part of FORL's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 3 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Due in less than one year	\$ -	\$ 25,000
Due in one to five years	<u>-</u>	<u>-</u>
	-	25,000
Less: discount to present value	<u>-</u>	<u>(7)</u>
Contribution receivable, net	<u>\$ -</u>	<u>\$ 24,993</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Building and building improvements	\$ 114,245	\$ 114,245
Furniture and equipment	<u>1,974</u>	<u>1,974</u>
	116,219	116,219
Less: accumulated depreciation	<u>(52,459)</u>	<u>(48,651)</u>
Property and equipment, net	<u>\$ 63,760</u>	<u>\$ 67,568</u>

NOTE 5 - LAND

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

Land consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Cheek property, and related costs	\$ 276,987	\$ 276,987
Ansley donated property	224,700	224,700
Fielder property, and related costs	30,095	30,095
Harris property, and related costs	965,066	965,066
Parkwood Terrace property, and related costs	766,394	766,394
Rader Tract property, and related costs	<u>-</u>	<u>5,135,464</u>
Total land	<u>\$ 2,263,242</u>	<u>\$ 7,398,706</u>

In February 2023, FORL entered into a purchase agreement with a seller for the potential acquisition of property adjacent to the Radnor Lake State Natural Area for a proposed purchase price of \$600,000, along with an in-kind contribution on the part of the seller. On July 21, 2023, the purchase was completed. It is FORL's intention that the property be transferred to the State of Tennessee at some future date.

In March 2023, FORL transferred the Rader Tract property to the State of Tennessee in exchange for \$4,300,000. See Note 6.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 6 - NOTE PAYABLE

In December 2021, FORL entered into a \$5,085,592 note payable with a seller in exchange for approximately 12 acres of property adjacent to the Radnor Lake State Natural Area. The note bore interest at a fixed rate of 1.5% per annum and was scheduled to mature on December 31, 2022, at which time the note and accrued interest thereon was due in full. On December 27, 2022, the note was amended to extend the maturity date until January 30, 2023. On January 30, 2023, the note was amended again to extend the maturity date until March 17, 2023. The note was secured by a deed of trust on the property, which had a carrying value of \$5,135,464 (see Note 5). FORL acquired the property with the intent to transfer the land to the State of Tennessee (the "State") for expansion of the Radnor Lake State Natural Area. The transfer was dependent upon approval of funding from the State, with the property to be returned to the seller in the event funding was not approved. On March 7, 2023, in exchange for \$4,300,000, FORL transferred the property to the State and paid the balance of the note in full, recognizing an expense of \$835,464 as a land grant to the State of Tennessee on the 2023 Statement of Functional Expenses for the difference between the balance of the note and the funding received from the State.

NOTE 7 - PROGRAM ACCOMPLISHMENTS

Total program accomplishments by FORL consisted of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Program services:		
Land grant to the State of Tennessee	\$ 835,464	\$ -
Bridge project	-	66,574
Harris Ridge trail	-	10,292
Native grasslands initiative	35,735	56,935
Costs related to land acquisition, grants and other contracts	34,504	49,978
Park support	89,547	80,354
Other program services	<u>126,556</u>	<u>95,922</u>
	<u>\$ 1,121,806</u>	<u>\$ 360,055</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 8 - PARK SUPPORT

Park support on the Statements of Functional Expenses consisted of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
General park support	\$ 82,199	\$ 55,167
Barbara J. Mapp Aviary Education Center	-	8,888
Trail management	<u>7,348</u>	<u>16,299</u>
	<u>\$ 89,547</u>	<u>\$ 80,354</u>

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of June 30:

	<u>2023</u>	<u>2022</u>
Time and purpose restricted:		
Bridge project	\$ -	\$ 25,000
Purpose restricted:		
Harris Ridge trail	14,408	14,408
Historic research	518	1,640
Barbara J. Mapp Aviary Education Center	15,259	26,913
Native grasslands initiative	8,931	50,000
Historic valve house	15,000	15,000
Other land acquisitions	-	441,365
Other donations with donor restrictions	<u>17,282</u>	<u>12,176</u>
	<u>\$ 71,398</u>	<u>\$ 586,502</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2023 AND 2022

NOTE 10 - CONCENTRATION OF CREDIT RISK

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.

Contributions received from one source comprised approximately 11% and 9% of total contributions received for the years ended June 30, 2023 and 2022, respectively. There was no contributions receivable as of June 30, 2023. Contributions receivable at June 30, 2022 was from one contributor.

NOTE 11 - RELATED PARTY TRANSACTIONS

Donated services included in contribution income for the year ended June 30, 2023 includes in-kind contributions by board members as follows: \$7,125 for graphic design for the 2023 calendar, \$25,000 for attorney fees related to land acquisition costs, and \$1,200 for construction costs.

Donated services included in contribution income for the year ended June 30, 2022 includes in-kind contributions by board members as follows: \$2,625 for graphic design for the 2022 calendar, \$30,000 for attorney fees related to land acquisition costs, \$1,000 for marketing costs, and \$700 for construction costs.

Donated services are utilized by FORL and are valued at their estimated costs had they been purchased separately.