

FRIENDS OF RADNOR LAKE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2018 AND 2017

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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, 2018 and 2017, 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, 2018 and 2017, 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.

Kraft CPAs PLLC

Nashville, Tennessee
September 18, 2019

FRIENDS OF RADNOR LAKE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|------------------------------------------|-------------------------|-------------------------|
| <u>ASSETS</u> | | |
| Cash and cash equivalents | \$ 879,884 | \$ 1,118,817 |
| Accounts receivable - license plate fees | 12,850 | 12,272 |
| Accounts receivable - other | 6,623 | 8,436 |
| Contributions receivable, net | 35,354 | 152,946 |
| Inventory | 375 | 758 |
| Property and equipment, net | 82,900 | 87,136 |
| Land | <u>1,859,899</u> | <u>2,660,119</u> |
| TOTAL ASSETS | <u>\$ 2,877,885</u> | <u>\$ 4,040,484</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| LIABILITIES | | |
| Accounts payable and accrued expenses | <u>\$ 14,666</u> | <u>\$ 17,851</u> |
| TOTAL LIABILITIES | <u>14,666</u> | <u>17,851</u> |
| NET ASSETS | | |
| Without donor restrictions | | |
| Undesignated | 500,818 | 463,429 |
| Board designated | 335,000 | 50,000 |
| Invested in land | <u>1,859,899</u> | <u>2,660,119</u> |
| Total without donor restrictions | 2,695,717 | 3,173,548 |
| With donor restrictions | <u>167,502</u> | <u>849,085</u> |
| TOTAL NET ASSETS | <u>2,863,219</u> | <u>4,022,633</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 2,877,885</u> | <u>\$ 4,040,484</u> |

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| | 2018 | | | 2017 | | |
|-------------------------------------------------------------------|----------------------------|-------------------------------|--------------|----------------------------|-------------------------------|--------------|
| | With Donor Restrictions | Without Donor Restrictions | Total | With Donor Restrictions | Without Donor Restrictions | Total |
| REVENUES AND SUPPORT | | | | | | |
| Contributions and public support: | | | | | | |
| Individuals, foundations and other, net of present value discount | \$ 218,749 | \$ 176,103 | \$ 394,852 | \$ 260,505 | \$ 673,245 | \$ 933,750 |
| Donated goods and services | 106,775 | - | 106,775 | 98,250 | - | 98,250 |
| License plate fees | 48,825 | - | 48,825 | 43,043 | - | 43,043 |
| Fundraising events | 29,900 | - | 29,900 | 36,660 | - | 36,660 |
| Calendar and merchandise sales | 20,194 | - | 20,194 | 19,083 | - | 19,083 |
| Less: cost of calendar and merchandise sales | (14,088) | - | (14,088) | (8,138) | - | (8,138) |
| Interest income | 2,713 | - | 2,713 | 4,141 | - | 4,141 |
| Rental income | 7,157 | - | 7,157 | 6,175 | - | 6,175 |
| Net assets released from restrictions: | | | | | | |
| Satisfaction of purpose restrictions | 857,686 | (857,686) | - | 997,740 | (997,740) | - |
| TOTAL REVENUES AND SUPPORT | 1,277,911 | (681,583) | 596,328 | 1,457,459 | (324,495) | 1,132,964 |
| EXPENSES | | | | | | |
| Program services | | | | | | |
| Land grant to the State of Tennessee | 1,171,287 | - | 1,171,287 | - | - | - |
| Other program services | 492,849 | - | 492,849 | 237,726 | - | 237,726 |
| Supporting services: | | | | | | |
| Management and general | 65,908 | - | 65,908 | 65,755 | - | 65,755 |
| Fundraising | 25,698 | - | 25,698 | 20,938 | - | 20,938 |
| TOTAL EXPENSES | 1,755,742 | - | 1,755,742 | 324,419 | - | 324,419 |
| CHANGE IN NET ASSETS | (477,831) | (681,583) | (1,159,414) | 1,133,040 | (324,495) | 808,545 |
| NET ASSETS - BEGINNING OF YEAR | 3,173,548 | 849,085 | 4,022,633 | 2,040,508 | 1,173,580 | 3,214,088 |
| NET ASSETS - END OF YEAR | \$ 2,695,717 | \$ 167,502 | \$ 2,863,219 | \$ 3,173,548 | \$ 849,085 | \$ 4,022,633 |

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

| | <u>2018</u> | <u>2017</u> |
|------------------------------------------------------------------------------------------------|-------------------|---------------------|
| OPERATING ACTIVITIES | | |
| Change in net assets | \$ (1,159,414) | \$ 808,545 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation | 4,236 | 4,323 |
| Loss on transfer of land | 83,646 | - |
| Realized and unrealized loss on sale of investments, net | - | 171 |
| Land grant to the State of Tennessee | 1,171,287 | - |
| Noncash contribution of investments | - | (25,809) |
| (Increase) decrease in: | | |
| Accounts receivable - license plate fees | (578) | (5,368) |
| Accounts receivable - other | 1,813 | (3,086) |
| Contributions receivable | 117,592 | 185,633 |
| Inventory | 383 | 173 |
| Increase (decrease) in: | | |
| Accounts payable and accrued expenses | (3,185) | 11,523 |
| TOTAL ADJUSTMENTS | <u>1,375,194</u> | <u>167,560</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>215,780</u> | <u>976,105</u> |
| INVESTING ACTIVITIES | | |
| Cash paid for purchase of land and related costs | (766,394) | (957,050) |
| Proceeds received for transfer of land to State of Tennessee | 311,681 | - |
| Proceeds from sale of investments | <u>-</u> | <u>30,453</u> |
| NET CASH USED IN INVESTING ACTIVITIES | <u>(454,713)</u> | <u>(926,597)</u> |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (238,933) | 49,508 |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR | <u>1,118,817</u> | <u>1,069,309</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 879,884</u> | <u>\$ 1,118,817</u> |

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

| | PROGRAM SERVICES | SUPPORTING SERVICES | | TOTAL |
|-----------------------------------------------------------------------------------------|---------------------|---------------------------|------------------|---------------------|
| | | MANAGEMENT AND GENERAL | FUNDRAISING | |
| Salaries | \$ 34,786 | \$ 27,829 | \$ 6,957 | \$ 69,572 |
| FICA payroll expenses | 2,670 | 2,136 | 534 | 5,340 |
| Accounting fees | - | 11,007 | - | 11,007 |
| Accounting fees - donated | - | 4,800 | - | 4,800 |
| Bank and credit card service charges | - | 573 | 3,245 | 3,818 |
| Calendar expense: | | | | |
| Cost of sales - actual | - | - | 7,777 | 7,777 |
| Cost of sales - donated | - | - | 2,100 | 2,100 |
| Computer, software, and database | - | 2,192 | - | 2,192 |
| Contract labor | 4,875 | 3,900 | 2,603 | 11,378 |
| Depreciation | - | 4,236 | - | 4,236 |
| Dues and subscriptions | - | 805 | - | 805 |
| Gifts and environmental awards | 320 | 320 | - | 640 |
| Insurance | - | 939 | - | 939 |
| Land acquisition costs - actual | 135,842 | - | - | 135,842 |
| Land acquisition costs - donated | 61,875 | - | - | 61,875 |
| Land grants to the State of Tennessee | 1,171,287 | - | - | 1,171,287 |
| Marketing - actual | 6,572 | - | - | 6,572 |
| Marketing - donated | 13,625 | - | - | 13,625 |
| Meetings and training | 816 | 816 | 2,450 | 4,082 |
| Merchandise - cost of sales | - | - | 4,211 | 4,211 |
| Newsletter | 5,951 | - | 2,550 | 8,501 |
| Park support | 223,076 | - | - | 223,076 |
| Postage | 220 | 332 | 553 | 1,105 |
| Printing | - | 2,772 | 1,216 | 3,988 |
| Rent | - | - | 1,340 | 1,340 |
| Supplies | - | 1,089 | 2,088 | 3,177 |
| Telephone and internet | 1,810 | 2,111 | 2,111 | 6,032 |
| Web site maintenance | 411 | 51 | 51 | 513 |
| TOTAL EXPENSES | 1,664,136 | 65,908 | 39,786 | 1,769,830 |
| Less expenses included with revenues on the statement of activities as cost of sales | - | - | (14,088) | (14,088) |
| TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES | \$ 1,664,136 | \$ 65,908 | \$ 25,698 | \$ 1,755,742 |

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2017

| | PROGRAM SERVICES | SUPPORTING SERVICES | | TOTAL |
|-----------------------------------------------------------------------------------------|---------------------|---------------------------|------------------|-------------------|
| | | MANAGEMENT AND GENERAL | FUNDRAISING | |
| Salaries | \$ 33,519 | \$ 26,814 | \$ 6,704 | \$ 67,037 |
| FICA payroll expenses | 2,716 | 2,173 | 543 | 5,432 |
| Accounting fees | - | 10,444 | - | 10,444 |
| Accounting fees - donated | - | 4,000 | - | 4,000 |
| Bank and credit card service charges | - | 690 | 3,912 | 4,602 |
| Calendar expense: | | | | |
| Cost of sales - actual | - | - | 6,378 | 6,378 |
| Cost of sales - donated | - | - | 1,500 | 1,500 |
| Promotional gifts | - | - | 958 | 958 |
| Computer, software, and database | - | 1,377 | - | 1,377 |
| Contract labor | 5,270 | 4,216 | 1,054 | 10,540 |
| Depreciation | - | 4,323 | - | 4,323 |
| Dues and subscriptions | - | 267 | - | 267 |
| Frist technology grant | - | 2,981 | - | 2,981 |
| Gifts and environmental awards | 2,835 | 2,836 | - | 5,671 |
| Insurance | - | 1,280 | - | 1,280 |
| Land acquisition costs - actual | 8,707 | - | - | 8,707 |
| Land acquisition costs - donated | 50,000 | - | - | 50,000 |
| Marketing - actual | 9,305 | - | - | 9,305 |
| Marketing - donated | 9,750 | - | - | 9,750 |
| Meetings and training | 765 | 765 | 2,293 | 3,823 |
| Merchandise - cost of sales | - | - | 260 | 260 |
| Newsletter | 6,537 | - | 2,801 | 9,338 |
| Park support | 105,619 | - | - | 105,619 |
| Postage | 146 | 218 | 364 | 728 |
| Printing | - | 802 | - | 802 |
| State and federal fees | - | 260 | - | 260 |
| Supplies | - | 463 | 463 | 926 |
| Telephone and internet | 1,467 | 1,710 | 1,710 | 4,887 |
| Web site maintenance | 1,090 | 136 | 136 | 1,362 |
| TOTAL EXPENSES | 237,726 | 65,755 | 29,076 | 332,557 |
| Less expenses included with revenues on the statement of activities as cost of sales | - | - | (8,138) | (8,138) |
| TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES | \$ 237,726 | \$ 65,755 | \$ 20,938 | \$ 324,419 |

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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 and 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 Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. 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 are 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.

Cash and Cash Equivalents

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

Contributions and Support

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized.

FRIENDS OF RADNOR LAKE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support (continued)

Donated securities are recorded as contribution revenue based on the market value of the securities at the date of gift.

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.

Promises to Give

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 (1.78% in 2018; 1.76% in 2017). 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 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, 2018 and 2017.

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 in the accompanying statement of financial position at the lower of cost or net realizable value with cost determined on a first-in, first out ("FIFO") basis.

Property, Equipment, and Land

Property, 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 thirty years.

FRIENDS OF RADNOR LAKE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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. 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 – Functional Allocation

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. Management and general 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.

The expenses that are allocated include salaries, FICA payroll taxes, bank and credit card service charges, contract labor, gifts and environment awards, meetings and training, newsletter, postage, printing, supplies, telephone and internet, and web site maintenance, which are allocated on the basis of estimates of time and effort or actual cost.

FRIENDS OF RADNOR LAKE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Functional Expenses (continued)

Accordingly, expenses have been allocated among the program services, management and general and fundraising functions. Functional expenses may be direct or indirect. Direct expenses are incurred only to benefit a specific program and are classified as a program activity accordingly. Indirect expenses include administrative support and shared operational expenses and are allocated to program and administration activities using management estimates.

Donated Property, Goods, and Services

Property, 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.

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.

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.

Adoption of New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. FORL has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

FRIENDS OF RADNOR LAKE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Authoritative Accounting Guidance

In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. In August 2015, the FASB issued ASU 2015-14 which defers the effective date of ASU 2014-09 one year, making it effective for annual reporting periods beginning after December 15, 2018. FORL is currently evaluating the effect that the updated standard will have on the financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Where the organization is a resource recipient, the ASU is effective for annual periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. The adoption of ASU 2018-08 is not expected to have a material impact on FORL's financial statements.

Events Occurring After Reporting Date

FORL has evaluated events and transactions that occurred between December 31, 2018 and September 18, 2019, 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
DECEMBER 31, 2018 AND 2017

NOTE 2 - AVAILABILITY AND LIQUIDITY

The following represents FORL's financial assets at December 31:

| | <u>2018</u> | <u>2017</u> |
|-------------------------------------------------------------------------------------------|-------------------|-------------------|
| Cash and cash equivalents | \$ 879,884 | \$ 1,118,817 |
| Accounts receivable - license plate fees | 12,850 | 12,272 |
| Accounts receivable - other | 6,623 | 8,436 |
| Contributions receivable, net | <u>35,354</u> | <u>152,946</u> |
| Total financial assets | <u>934,711</u> | <u>1,292,471</u> |
| Less amounts not available to be used within one year: | | |
| Restricted by donor with time or purpose restrictions | <u>(167,502)</u> | <u>(849,085)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 767,209</u> | <u>\$ 443,386</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 consist of the following at December 31:

| | <u>2018</u> | <u>2017</u> |
|---------------------------------|------------------|-------------------|
| In less than one year | \$ 24,950 | \$ 122,418 |
| In one to five years | <u>11,000</u> | <u>33,000</u> |
| | 35,950 | 155,418 |
| Less: discount to present value | <u>(596)</u> | <u>(2,472)</u> |
| Total | <u>\$ 35,354</u> | <u>\$ 152,946</u> |

FRIENDS OF RADNOR LAKE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

| | <u>2018</u> | <u>2017</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>(33,319)</u> | <u>(29,083)</u> |
| Property and equipment, net | <u>\$ 82,900</u> | <u>\$ 87,136</u> |

NOTE 5 - LAND

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

Land consists of the following at December 31:

| | <u>2018</u> | <u>2017</u> |
|----------------------------------------------|---------------------|---------------------|
| Cheek property, and related costs | \$ 276,987 | \$ 365,432 |
| Ansley donated property | 224,700 | 224,700 |
| Foster property, and related costs | - | 5,044 |
| Civic Bank property, and related costs | - | 767,995 |
| Fielder property, and related costs | 30,095 | 30,095 |
| Yarbrough property, and related costs | - | 309,803 |
| Forrest Hills property, and related costs | - | 395,327 |
| Harris property, and related costs | 561,723 | 561,723 |
| Parkwood Terrace property, and related costs | <u>766,394</u> | <u>-</u> |
| Total | <u>\$ 1,859,899</u> | <u>\$ 2,660,119</u> |

In 2018, FORL transferred 24.16 acres of property to the State of Tennessee. The carrying value associated with the transfer of this property is recognized in the 2018 Statement of Functional Expenses as a land grant to the State of Tennessee.

FRIENDS OF RADNOR LAKE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 6 - PROGRAM ACCOMPLISHMENTS

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

| | <u>2018</u> | <u>2017</u> |
|----------------------------------------------------------------|---------------------|-------------------|
| Program Services: | | |
| Costs related to land acquisition, grants, and other contracts | \$ 197,717 | \$ 58,707 |
| Park support | 223,076 | 105,619 |
| Other program services | 72,056 | 73,400 |
| Land grant to the State of Tennessee | <u>1,171,287</u> | <u>-</u> |
| Total | <u>\$ 1,664,136</u> | <u>\$ 237,726</u> |

NOTE 7 - PARK SUPPORT

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

| | <u>2018</u> | <u>2017</u> |
|------------------------------------|-------------------|-------------------|
| General park support | \$ 73,267 | \$ 34,535 |
| Ansley home maintenance | 10,816 | 7,867 |
| Aviary project | 77,422 | 47,309 |
| Forestry grant | 9,932 | 174 |
| Junior Ranger program | 10,740 | 11,231 |
| Ground nesting habitat restoration | 40,899 | - |
| Reptile program improvements | <u>-</u> | <u>4,503</u> |
| Total | <u>\$ 223,076</u> | <u>\$ 105,619</u> |

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NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following as of December 31:

| | <u>2018</u> | <u>2017</u> |
|-----------------------------------------|-------------------|-------------------|
| Time and purpose restricted: | | |
| Other land acquisitions | \$ 30,950 | \$ 125,418 |
| Mapp aviary grant | - | 20,000 |
| Mapp aviary donations | 5,000 | 10,000 |
| Purpose restricted: | | |
| Other land acquisitions | 107,879 | 669,384 |
| Mapp aviary donations | - | 4,269 |
| Observation deck construction | 4,816 | 4,816 |
| Volunteerism grant | 5,816 | 2,157 |
| Other donations with donor restrictions | <u>13,041</u> | <u>13,041</u> |
| | <u>\$ 167,502</u> | <u>\$ 849,085</u> |

NOTE 9 - CONCENTRATION OF CREDIT RISK

Contributions received from one source comprised approximately 21% of total contributions received for the year ended December 31, 2018 (approximately 37% of total contribution revenues were from two sources for the year ended December 31, 2017). Contributions receivable from three contributors comprised 83% of the receivable balance for the year ended December 31, 2018 (contributions receivable from five contributors comprised 77% of the receivable balance as of December 31, 2017).

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.

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NOTE 10 - RELATED PARTY TRANSACTIONS

Donated services included in contribution income in 2018 include in-kind contributions by Board members as follows: \$2,100 for graphic design for the 2019 calendar, \$13,625 for marketing and public relations services, \$61,875 for attorney fees, \$24,375 for labor related to construction of the Barbara J. Mapp Aviary Education Center, and \$4,800 for accounting services.

Donated services included in contribution income in 2017 include in-kind contributions by Board members as follows: \$1,500 for graphic design for the 2018 calendar, \$9,750 for marketing and public relations services, \$50,000 for attorney fees, \$33,000 for labor related to construction of the Barbara J. Mapp Aviary Education Center, and \$4,000 for accounting services.

NOTE 11 - SUBSEQUENT EVENTS

During May 2019, FORL acquired additional property at a cost of approximately \$325,000. FORL intends to gift this property to the State in a future year.