

FRIENDS OF RADNOR LAKE  
NASHVILLE, TENNESSEE  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2022 AND 2021

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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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows 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, 2022 and 2021, 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.

*Kraft+CPAs PLLC*

Nashville, Tennessee  
March 10, 2023

FRIENDS OF RADNOR LAKE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

|  | <u>2022</u>                    | <u>2021</u>                    |
|--|--------------------------------|--------------------------------|
| <u>ASSETS</u>                            |                                |                                |
| Cash and cash equivalents                | \$ 1,562,674                   | \$ 1,395,835                   |
| Accounts receivable - license plate fees | 13,491                         | 12,792                         |
| Contributions receivable, net            | 24,993                         | 49,813                         |
| Property and equipment, net              | 67,568                         | 71,376                         |
| Land                                     | <u>7,398,706</u>               | <u>2,184,634</u>               |
| <br>TOTAL ASSETS                         | <br><u><u>\$ 9,067,432</u></u> | <br><u><u>\$ 3,714,450</u></u> |
| <br><u>LIABILITIES AND NET ASSETS</u>    |                                |                                |
| LIABILITIES                              |                                |                                |
| Accounts payable and accrued expenses    | \$ 43,586                      | \$ 46,546                      |
| Note payable                             | <u>5,085,592</u>               | <u>-</u>                       |
| <br>TOTAL LIABILITIES                    | <br><u>5,129,178</u>           | <br><u>46,546</u>              |
| NET ASSETS                               |                                |                                |
| Without donor restrictions:              |                                |                                |
| Undesignated                             | 921,070                        | 809,881                        |
| Board-designated                         | 50,000                         | 50,000                         |
| Invested in property and equipment       | 67,568                         | 71,376                         |
| Invested in land, less related debt      | <u>2,313,114</u>               | <u>2,184,634</u>               |
| Total without donor restrictions         | 3,351,752                      | 3,115,891                      |
| With donor restrictions                  | <u>586,502</u>                 | <u>552,013</u>                 |
| <br>TOTAL NET ASSETS                     | <br><u>3,938,254</u>           | <br><u>3,667,904</u>           |
| <br>TOTAL LIABILITIES AND NET ASSETS     | <br><u><u>\$ 9,067,432</u></u> | <br><u><u>\$ 3,714,450</u></u> |

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

|   | 2022                          |                            |              | 2021                          |                            |              |
|---|-------------------------------|----------------------------|--------------|-------------------------------|----------------------------|--------------|
|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
| REVENUES AND SUPPORT  |                               |                            |              |                               |                            |              |
| Contributions and public support:                                 |                               |                            |              |                               |                            |              |
| Individuals, foundations and other, net of present value discount | \$ 390,136                    | \$ 153,647                 | \$ 543,783   | \$ 278,859                    | \$ 209,282                 | \$ 488,141   |
| Donated goods and services  | 34,325                        | -                          | 34,325       | 85,371                        | -                          | 85,371       |
| License plate fees  | 53,333                        | -                          | 53,333       | 50,391                        | -                          | 50,391       |
| Fundraising events  | 183,997                       | -                          | 183,997      | -                             | -                          | -            |
| Less: cost of fundraising events                                  | (63,100)                      | -                          | (63,100)     | -                             | -                          | -            |
| Calendar and merchandise sales                                    | 17,150                        | -                          | 17,150       | 11,430                        | -                          | 11,430       |
| Less: cost of calendar and merchandise sales                      | (16,128)                      | -                          | (16,128)     | (13,505)                      | -                          | (13,505)     |
| Interest income   | 3,377                         | -                          | 3,377        | 4,284                         | -                          | 4,284        |
| Rental income   | 7,467                         | -                          | 7,467        | 6,895                         | -                          | 6,895        |
| Net assets released from restrictions:                            |                               |                            |              |                               |                            |              |
| Satisfaction of time or purpose restrictions                      | 119,158                       | (119,158)                  | -            | 396,771                       | (396,771)                  | -            |
| TOTAL REVENUES AND SUPPORT  | 729,715                       | 34,489                     | 764,204      | 820,496                       | (187,489)                  | 633,007      |
| EXPENSES  |                               |                            |              |                               |                            |              |
| Program services  | 360,055                       | -                          | 360,055      | 636,240                       | -                          | 636,240      |
| Supporting services:  |                               |                            |              |                               |                            |              |
| Management and general  | 78,366                        | -                          | 78,366       | 75,751                        | -                          | 75,751       |
| Fundraising   | 55,433                        | -                          | 55,433       | 35,271                        | -                          | 35,271       |
| TOTAL EXPENSES  | 493,854                       | -                          | 493,854      | 747,262                       | -                          | 747,262      |
| CHANGE IN NET ASSETS  | 235,861                       | 34,489                     | 270,350      | 73,234                        | (187,489)                  | (114,255)    |
| NET ASSETS - BEGINNING OF YEAR                                    | 3,115,891                     | 552,013                    | 3,667,904    | 3,042,657                     | 739,502                    | 3,782,159    |
| NET ASSETS - END OF YEAR  | \$ 3,351,752                  | \$ 586,502                 | \$ 3,938,254 | \$ 3,115,891                  | \$ 552,013                 | \$ 3,667,904 |

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

|  | <u>2022</u>         | <u>2021</u>         |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES   |                     |                     |
| Change in net assets   | \$ 270,350          | \$ (114,255)        |
| Adjustments to reconcile change in net assets to net cash<br>provided by operating activities: |                     |                     |
| Depreciation   | 3,808               | 5,812               |
| (Increase) decrease in:  |                     |                     |
| Accounts receivable - license plate fees   | (699)               | (1,621)             |
| Contributions receivable   | 24,820              | 70,874              |
| (Decrease) increase in:  |                     |                     |
| Accounts payable and accrued expenses  | <u>(2,960)</u>      | <u>40,678</u>       |
| TOTAL ADJUSTMENTS  | <u>24,969</u>       | <u>115,743</u>      |
| NET CASH PROVIDED BY OPERATING ACTIVITIES  | <u>295,319</u>      | <u>1,488</u>        |
| CASH FLOWS FROM INVESTING ACTIVITIES   |                     |                     |
| Cash paid for purchase of land and related costs   | <u>(128,480)</u>    | <u>-</u>            |
| NET CASH USED IN INVESTING ACTIVITIES  | <u>(128,480)</u>    | <u>-</u>            |
| NET INCREASE IN CASH AND CASH EQUIVALENTS  | 166,839             | 1,488               |
| CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR  | <u>1,395,835</u>    | <u>1,394,347</u>    |
| CASH AND CASH EQUIVALENTS - END OF YEAR  | <u>\$ 1,562,674</u> | <u>\$ 1,395,835</u> |
| SUPPLEMENTAL CASH FLOW DISCLOSURES   |                     |                     |
| Land acquisition financed with note payable  | <u>\$ 5,085,592</u> | <u>\$ -</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<br/>SERVICES</u> | <u>MANAGEMENT<br/>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                   |
| <br>TOTAL EXPENSES  | <br>360,055                 | <br>78,366                        | <br>134,661            | <br>573,082             |
| <br>Less expenses included with revenues on the<br>statement of activities as cost of sales | <br>-<br>_____              | <br>-<br>_____                    | <br>(79,228)<br>_____  | <br>(79,228)<br>_____   |
| <br>TOTAL EXPENSES INCLUDED IN EXPENSE<br>SECTION OF THE STATEMENT OF ACTIVITIES            | <br>\$ 360,055<br>_____     | <br>\$ 78,366<br>_____            | <br>\$ 55,433<br>_____ | <br>\$ 493,854<br>_____ |

See accompanying notes to financial statements.



FRIENDS OF RADNOR LAKE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2021

|   |                                   | <u>SUPPORTING SERVICES</u>              |                    |                   |
|---|-----------------------------------|---|--------------------|-------------------|
|   | <u>PROGRAM</u><br><u>SERVICES</u> | <u>MANAGEMENT</u><br><u>AND GENERAL</u> | <u>FUNDRAISING</u> | <u>TOTAL</u>      |
| Compensation  | \$ 40,906                         | \$ 32,725                               | \$ 8,181           | \$ 81,812         |
| Accounting fees   | -                                 | 11,050                                  | -                  | 11,050            |
| Calendar expense:   |                                   |   |                    |                   |
| Cost of sales - actual  | -                                 | -                                       | 9,755              | 9,755             |
| Cost of sales - donated   | -                                 | -                                       | 3,750              | 3,750             |
| Construction - donated  | 19,621                            | -                                       | -                  | 19,621            |
| Contract labor  | 7,771                             | 6,216                                   | 1,554              | 15,541            |
| Depreciation  | -                                 | 5,812                                   | -                  | 5,812             |
| Gifts and environmental awards  | 525                               | 525                                     | -                  | 1,050             |
| Information technology  | 4,010                             | 2,122                                   | 501                | 6,633             |
| Insurance   | -                                 | 3,551                                   | -                  | 3,551             |
| Land acquisition costs - actual   | 76,708                            | -                                       | -                  | 76,708            |
| Land acquisition costs - donated  | 62,000                            | -                                       | -                  | 62,000            |
| Marketing   | 7,267                             | -                                       | -                  | 7,267             |
| Meetings and training   | 817                               | 817                                     | 5,739              | 7,373             |
| Newsletter  | 7,331                             | -                                       | 3,142              | 10,473            |
| Office expenses   | 2,124                             | 10,824                                  | 14,046             | 26,994            |
| Park support  | 94,366                            | -                                       | -                  | 94,366            |
| Special Projects:   |                                   |   |                    |                   |
| Bridge expenses   | 268,792                           | -                                       | -                  | 268,792           |
| Harris Ridge trail  | 440                               | -                                       | -                  | 440               |
| Native grasslands initiative  | 38,280                            | -                                       | -                  | 38,280            |
| Stipends  | 3,475                             | -                                       | -                  | 3,475             |
| Telephone and internet  | 1,807                             | 2,109                                   | 2,108              | 6,024             |
| <b>TOTAL EXPENSES</b>   | <b>636,240</b>                    | <b>75,751</b>                           | <b>48,776</b>      | <b>760,767</b>    |
| Less expenses included with revenues on the<br>statement of activities as cost of sales | -                                 | -                                       | (13,505)           | (13,505)          |
| <b>TOTAL EXPENSES INCLUDED IN EXPENSE<br/>SECTION OF THE STATEMENT OF ACTIVITIES</b>    | <b>\$ 636,240</b>                 | <b>\$ 75,751</b>                        | <b>\$ 35,271</b>   | <b>\$ 747,262</b> |

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2022 AND 2021

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 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.

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, 2022 and 2021. 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, 2022 AND 2021

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, 2022 and 2021.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

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, 2022 AND 2021

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, meetings and training, newsletter, office expenses and telephone and internet, which are allocated on the basis of estimates of time and effort.

New Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the Statements of Activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU was effective for the FORL beginning July 1, 2021 and did not result in a significant change to the financial statements.

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 change in net assets as previously reported.

Events Occurring After Reporting Date

FORL has evaluated events and transactions that occurred between June 30, 2022 and March 10, 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, 2022 AND 2021

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

|   | <u>2022</u>       | <u>2021</u>       |
|---|-------------------|-------------------|
| Cash and cash equivalents   | \$ 1,562,674      | \$ 1,395,835      |
| Accounts receivable - license plate fees  | 13,491            | 12,792            |
| Contributions receivable, net   | <u>24,993</u>     | <u>49,813</u>     |
| Total financial assets  | <u>1,601,158</u>  | <u>1,458,440</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>(586,502)</u>  | <u>(552,013)</u>  |
| Financial assets available to meet cash needs for<br>general expenditures within one year | <u>\$ 964,656</u> | <u>\$ 856,427</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>2022</u>      | <u>2021</u>      |
|---------------------------------|------------------|------------------|
| Due in less than one year       | \$ 25,000        | \$ 25,000        |
| Due in one to five years        | <u>-</u>         | <u>25,000</u>    |
|                                 | 25,000           | 50,000           |
| Less: discount to present value | <u>(7)</u>       | <u>(187)</u>     |
| Contribution receivable, net    | <u>\$ 24,993</u> | <u>\$ 49,813</u> |

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 4 - PROPERTY AND EQUIPMENT

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

|                                    | <u>2022</u>      | <u>2021</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>(48,651)</u>  | <u>(44,843)</u>  |
| Property and equipment, net        | <u>\$ 67,568</u> | <u>\$ 71,376</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>2022</u>        | <u>2021</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            | 886,458             |
| Parkwood Terrace property, and related costs | 766,394            | 766,394             |
| Rader Tract property, and related costs      | <u>5,135,464</u>   | <u>-</u>            |
| Total land                                   | <u>\$7,398,706</u> | <u>\$ 2,184,634</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. Should the sale be completed, it is FORL's intention that the property would be transferred to the State of Tennessee at some future date.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

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 off the balance of the note and accrued interest thereon.

NOTE 7 - PROGRAM ACCOMPLISHMENTS

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

|   | <u>2022</u>       | <u>2021</u>       |
|---|-------------------|-------------------|
| Program services:   |                   |                   |
| Bridge project  | \$ 66,574         | \$ 268,792        |
| Harris Ridge trail  | 10,292            | 440               |
| Native grasslands initiative                                  | 56,935            | 38,280            |
| Costs related to land acquisition, grants and other contracts | 49,978            | 138,708           |
| Park support  | 80,354            | 94,366            |
| Other program services  | <u>95,922</u>     | <u>95,654</u>     |
|   | <u>\$ 360,055</u> | <u>\$ 636,240</u> |



FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

NOTE 8 - PARK SUPPORT

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

NEW

DR

|   | <u>2022</u>      | <u>2021</u>      |
|---|------------------|------------------|
| General park support                    | \$ 55,167        | \$ 78,045        |
| Barbara J. Mapp Aviary Education Center | 8,888            | 9,012            |
| Trail management                        | <u>16,299</u>    | <u>7,309</u>     |
|   | <u>\$ 80,354</u> | <u>\$ 94,366</u> |

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

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

|   | <u>2022</u>       | <u>2021</u>       |
|---|-------------------|-------------------|
| Time and purpose restricted:            |                   |                   |
| Bridge project                          | \$ 25,000         | \$ 50,000         |
| Purpose restricted:                     |                   |                   |
| Harris Ridge trail                      | 14,408            | 53,940            |
| Historic research                       | 1,640             | 7,102             |
| Barbara J. Mapp Aviary Education Center | 26,913            | 20,235            |
| Native grasslands initiative            | 50,000            | -                 |
| Historic valve house                    | 15,000            | -                 |
| Other land acquisitions                 | 441,365           | 416,735           |
| Other donations with donor restrictions | <u>12,176</u>     | <u>4,001</u>      |
|   | <u>\$ 586,502</u> | <u>\$ 552,013</u> |

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2022 AND 2021

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 9% of total contributions received for the year ended June 30, 2021. There was no concentration of contributions as of June 30, 2022. Contributions receivable at both June 30, 2022 and 2021 was from one contributor.

NOTE 11 - RELATED PARTY TRANSACTIONS

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 included in contribution income for the year ended June 30, 2021 includes in-kind contributions by board members as follows: \$3,750 for graphic design for the 2021 calendar, \$62,000 for attorney fees related to land acquisition costs, and \$19,621 for construction costs.

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