

FRIENDS OF RADNOR LAKE  
NASHVILLE, TENNESSEE  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
DECEMBER 31, 2017 AND 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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.

*Y. Kraft CPA PLLC*

Nashville, Tennessee  
August 17, 2018

FRIENDS OF RADNOR LAKE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,118,817	\$ 1,069,309
Accounts receivable - license plate fees	12,272	6,904
Accounts receivable - other	8,436	5,350
Contributions receivable, net	152,946	338,579
Investments	-	4,815
Inventory	758	931
Property and equipment, net	87,136	91,459
Land	<u>2,660,119</u>	<u>1,703,069</u>
 TOTAL ASSETS	 <u>\$ 4,040,484</u>	 <u>\$ 3,220,416</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable and accrued expenses	<u>\$ 17,851</u>	<u>\$ 6,328</u>
 TOTAL LIABILITIES	 <u>17,851</u>	 <u>6,328</u>
NET ASSETS		
Unrestricted:		
Invested in land	2,660,119	1,703,069
Board designated	50,000	50,000
Undesignated	<u>463,429</u>	<u>287,439</u>
Total unrestricted	3,173,548	2,040,508
Temporarily restricted	<u>849,085</u>	<u>1,173,580</u>
 TOTAL NET ASSETS	 <u>4,022,633</u>	 <u>3,214,088</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 4,040,484</u>	 <u>\$ 3,220,416</u>

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>			<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT						
Contributions and public support:						
Individuals, foundations and other, net of present value discount	\$ 260,505	\$ 673,245	\$ 933,750	\$ 196,719	\$ 671,014	\$ 867,733
Donated goods and services	98,250	-	98,250	108,565	-	108,565
License plate fees	43,043	-	43,043	29,208	-	29,208
Fundraising events	36,660	-	36,660	-	-	-
Calendar and merchandise sales	19,083	-	19,083	32,296	-	32,296
Less: cost of calendar and merchandise sales	(8,138)	-	(8,138)	(26,397)	-	(26,397)
Interest income	4,141	-	4,141	5,049	-	5,049
Rental income	6,175	-	6,175	6,210	-	6,210
Net assets released from restrictions:						
Satisfaction of purpose restrictions	997,740	(997,740)	-	238,903	(238,903)	-
TOTAL REVENUES AND SUPPORT	<u>1,457,459</u>	<u>(324,495)</u>	<u>1,132,964</u>	<u>590,553</u>	<u>432,111</u>	<u>1,022,664</u>
EXPENSES						
Program services						
Land grant to the State of Tennessee	-	-	-	251,588	-	251,588
Other program services	237,726	-	237,726	414,888	-	414,888
Supporting services:						
Management and general	65,755	-	65,755	99,468	-	99,468
Fundraising	20,938	-	20,938	19,344	-	19,344
TOTAL EXPENSES	<u>324,419</u>	<u>-</u>	<u>324,419</u>	<u>785,288</u>	<u>-</u>	<u>785,288</u>
CHANGE IN NET ASSETS	1,133,040	(324,495)	808,545	(194,735)	432,111	237,376
NET ASSETS - BEGINNING OF YEAR	<u>2,040,508</u>	<u>1,173,580</u>	<u>3,214,088</u>	<u>2,235,243</u>	<u>741,469</u>	<u>2,976,712</u>
NET ASSETS - END OF YEAR	<u>\$ 3,173,548</u>	<u>\$ 849,085</u>	<u>\$ 4,022,633</u>	<u>\$ 2,040,508</u>	<u>\$ 1,173,580</u>	<u>\$ 3,214,088</u>

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 808,545	\$ 237,376
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	4,323	24,244
Realized and unrealized loss on sale of investments, net	171	1,764
Land grant to the State of Tennessee	-	251,588
Noncash contribution of investments	(25,809)	(4,980)
(Increase) decrease in:		
Accounts receivable - license plate fees	(5,368)	(1,030)
Accounts receivable - other	(3,086)	90
Contributions receivable	185,633	(281,924)
Inventory	173	1,139
Increase in:		
Accounts payable and accrued expenses	<u>11,523</u>	<u>4,763</u>
TOTAL ADJUSTMENTS	<u>167,560</u>	<u>(4,346)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>976,105</u>	<u>233,030</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	-	(14,845)
Cash paid for purchase of land and related costs	(957,050)	(309,803)
Proceeds from sale of investments	<u>30,453</u>	<u>95,455</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(926,597)</u>	<u>(229,193)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	49,508	3,837
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,069,309</u>	<u>1,065,472</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,118,817</u>	<u>\$ 1,069,309</u>

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
General office postage	146	218	364	728
General office printing	-	802	-	802
General office supplies	-	463	463	926
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
State and federal fees	-	260	-	260
Telephone and internet	1,467	1,710	1,710	4,887
Web site maintenance	1,090	136	136	1,362
<b>TOTAL EXPENSES</b>	<b>237,726</b>	<b>65,755</b>	<b>29,076</b>	<b>332,557</b>
Less expenses included with revenues on the statement of activities as cost of sales	-	-	(8,138)	(8,138)
<b>TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES</b>	<b>\$ 237,726</b>	<b>\$ 65,755</b>	<b>\$ 20,938</b>	<b>\$ 324,419</b>

See accompanying notes to financial statements.



FRIENDS OF RADNOR LAKE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016

		<u>SUPPORTING SERVICES</u>		
	<u>PROGRAM</u>	<u>MANAGEMENT</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
	<u>SERVICES</u>	<u>AND GENERAL</u>		
Salaries	\$ 28,749	\$ 22,998	\$ 5,750	\$ 57,497
FICA payroll expenses	2,199	1,759	440	4,398
Accounting fees	-	9,356	-	9,356
Accounting fees - donated	-	24,000	-	24,000
Bank and credit card service charges	-	420	2,381	2,801
Calendar expense:				
Cost of sales - actual	-	-	6,471	6,471
Cost of sales - donated	-	-	12,000	12,000
Promotional gifts	-	-	1,552	1,552
Computer, software, and database	-	2,495	-	2,495
Contract labor	4,625	3,700	925	9,250
Depreciation	-	24,244	-	24,244
Dues and subscriptions	-	565	-	565
Frist technology grant	-	1,350	-	1,350
General office postage	218	327	546	1,091
General office printing	-	640	-	640
General office supplies	-	303	304	607
Gifts and environmental awards	2,481	2,481	-	4,962
Insurance	-	2,022	-	2,022
Land acquisition costs - actual	59,762	-	-	59,762
Land acquisition costs - donated	36,000	-	-	36,000
Land grant to the State of Tennessee	251,588	-	-	251,588
Marketing - actual	6,819	-	-	6,819
Marketing - donated	19,400	-	-	19,400
Meetings and training	667	667	2,002	3,336
Merchandise - cost of sales	-	-	7,926	7,926
Newsletter	7,742	-	3,318	11,060
Park support	243,059	-	-	243,059
State and federal fees	-	15	-	15
Telephone and internet	1,662	1,938	1,938	5,538
Web site maintenance	1,505	188	188	1,881
<b>TOTAL EXPENSES</b>	<b>666,476</b>	<b>99,468</b>	<b>45,741</b>	<b>811,685</b>
Less expenses included with revenues on the statement of activities as cost of sales	-	-	(26,397)	(26,397)
<b>TOTAL EXPENSES INCLUDED IN EXPENSE</b>				
<b>SECTION OF THE STATEMENT OF ACTIVITIES</b>	<b>\$ 666,476</b>	<b>\$ 99,468</b>	<b>\$ 19,344</b>	<b>\$ 785,288</b>

See accompanying notes to financial statements.

FRIENDS OF RADNOR LAKE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

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

Basis of Presentation

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

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

- *Unrestricted net assets* are free of donor-imposed restrictions. All revenues, gains and losses that are not temporarily or permanently restricted by donors are included in this classification. All expenditures are reported in the unrestricted class of net assets since the use of restricted contributions in accordance with the donors' stipulations results in the release of the restriction.
- *Temporarily restricted net assets* are limited as to use by donor-imposed restrictions that expire with the passage of time or that can be satisfied by use for the specific purpose.
- *Permanently restricted net assets* are amounts required by donors to be held in perpetuity, including gifts requiring that the principal be invested, and the income or specific portions thereof be used for operations. FORL had no permanently restricted net assets as of December 31, 2017 or 2016.

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 unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a restriction is fulfilled (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted and reported in the Statement of Activities as net assets released from restrictions.

FRIENDS OF RADNOR LAKE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions and Support (Continued)

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

Donated Securities

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

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 (1.76% in 2017; 1.47% in 2016). 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, 2017 and 2016.

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.

Investments

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Net realized and unrealized gains and losses are recognized currently in the Statement of Activities.

FRIENDS OF RADNOR LAKE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Fair Value Measurements

FORL classifies its investments based on a hierarchy consisting of: Level 1 (valued using quoted prices from active markets for identical assets), Level 2 (not traded on an active market but for which observable market inputs are readily available), and Level 3 (valued based on significant unobservable inputs).

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

FRIENDS OF RADNOR LAKE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

*Investments* - Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid securities and certain other products, such as mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows and are classified within Level 2 of the valuation hierarchy. In certain cases where there is limited activity, or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

There have been no changes in the valuation methodologies since the prior year. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while FORL believes its valuation methods are appropriate and consistent with that of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Program and Supporting Services

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

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

Management and General - includes the functions necessary to ensure an adequate working environment and costs not identifiable with a single program. Includes costs associated with providing coordination and articulation of FORL's program strategy, business management, general record keeping, budgeting, and related purposes.

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

FRIENDS OF RADNOR LAKE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

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.

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.

FRIENDS OF RADNOR LAKE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Authoritative Accounting Guidance

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This guidance outlines a simple comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that revenue is recognized when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. Transfer of control is not the same as transfer of risks and rewards, as it is considered in current guidance. FORL will also need to apply new guidance to determine whether revenue should be recognized over time or at a point in time. 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 has not yet selected a transition method. FORL does not expect that the adoption of the updated standard will have a material impact on the financial statements.

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements and notes about its liquidity, financial performance, and cash flows. Among other changes, the ASU replaces the three current classes of net assets with two new classes, “net assets with donor restrictions” and “net assets without donor restrictions” and expands disclosures about the nature and amount of any donor restrictions. ASU 2016-14 is effective for annual periods beginning after December 15, 2017 and interim periods within fiscal years beginning after December 15, 2018, with early adoption permitted. FORL is currently evaluating the impact the adoption of this guidance will have on its financial statements.

Events Occurring After Reporting Date

FORL has evaluated events and transactions that occurred between December 31, 2017 and August 17, 2018, 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, 2017 AND 2016

NOTE 2 - CONTRIBUTIONS RECEIVABLE

Contributions receivable consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
In less than one year	\$ 122,418	\$ 277,668
In one to five years	<u>33,000</u>	<u>64,666</u>
	155,418	342,334
Less: discount to present value	<u>(2,472)</u>	<u>(3,755)</u>
Total	<u>\$ 152,946</u>	<u>\$ 338,579</u>

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

There were no investments as of December 31, 2017.

The following table sets forth FORL's major categories of assets measured at fair value on a recurring basis, by level, within the fair hierarchy, as of December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Equities - healthcare	<u>\$ 4,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,815</u>
Total investments at fair value	<u><u>\$ 4,815</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,815</u></u>



FRIENDS OF RADNOR LAKE  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2017 AND 2016

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	<u>2017</u>	<u>2016</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>(29,083)</u>	<u>(24,760)</u>
Property and equipment, net	<u>\$ 87,136</u>	<u>\$ 91,459</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>2017</u>	<u>2016</u>
Cheek property, and related costs	\$ 365,432	\$ 365,432
Ansley donated property	224,700	224,700
Foster property, and related costs	5,044	5,044
Civic Bank property, and related costs	767,995	767,995
Fielder property, and related costs	30,095	30,095
Yarbrough property, and related costs	309,803	309,803
Forrest Hills property, and related costs	395,327	-
Harris property, and related costs	<u>561,723</u>	<u>-</u>
Total	<u>\$ 2,660,119</u>	<u>\$ 1,703,069</u>

In July 2014, FORL purchased 15 acres of land for \$251,588. In June 2016, FORL transferred the property to the State of Tennessee. The carrying value associated with the transfer of this property is recognized in the 2016 Statement of Functional Expenses as a land grant to the State of Tennessee.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

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>2017</u>	<u>2016</u>
Program Services:		
Costs related to land acquisition, grants, and other contracts	\$ 58,707	\$ 95,762
Park support	105,619	243,059
Other program services	73,400	76,067
Land grant to the State of Tennessee	<u>-</u>	<u>251,588</u>
Total	<u>\$ 237,726</u>	<u>\$ 666,476</u>

During 2016, FORL launched a three-year fundraising campaign to raise approximately \$1,000,000 to assist the State of Tennessee with acquisition of an additional 34 acres of land.

NOTE 7 - PARK SUPPORT

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

	<u>2017</u>	<u>2016</u>
General park support	\$ 34,535	\$ 33,989
Ansley home maintenance	7,867	6,956
Aviary project	47,309	138,521
Canoes	-	4,608
Forestry grant	174	14,924
Junior Ranger program	11,231	11,433
Observation deck	-	5,466
Reptile program improvements	4,503	15,448
Valve house restoration	<u>-</u>	<u>11,714</u>
Total	<u>\$ 105,619</u>	<u>\$ 243,059</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Changes in temporarily restricted net assets for the year ended December 31, 2017 were as follows:

	2017			
	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Grants and contributions restricted for specific purposes:				
Other land acquisitions	\$1,114,844	\$ 640,725	\$(960,767)	\$ 794,802
Frist Foundation technology grant	-	3,000	(3,000)	-
Mapp aviary grant	20,000	-	-	20,000
Mapp aviary donations	11,327	11,501	(8,559)	14,269
Mapp reptile program improvements	4,552	-	(4,552)	-
Observation deck construction	4,816	-	-	4,816
Grassland restoration	5,000	-	(5,000)	-
Spotting Scopes	-	8,019	(8,019)	-
Volunteerism grant	-	10,000	(7,843)	2,157
Other restricted donations	<u>13,041</u>	<u>-</u>	<u>-</u>	<u>13,041</u>
	<u>\$1,173,580</u>	<u>\$ 673,245</u>	<u>\$(997,740)</u>	<u>\$ 849,085</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Changes in temporarily restricted net assets for the year ended December 31, 2016 were as follows:

	2016			
	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Grants and contributions restricted for specific purposes:				
Other land acquisitions	\$ 587,208	\$ 587,398	\$ (59,762)	\$1,114,844
Trail signage	2,000	-	(2,000)	-
Frist Foundation technology grant	-	1,830	(1,830)	-
Mapp aviary grant	20,000	-	-	20,000
Mapp aviary donations	103,077	34,771	(126,521)	11,327
Mapp reptile program improvements	-	20,000	(15,448)	4,552
Forestry grant	-	14,924	(14,924)	-
Tidwell invasive plant removal	5,297	-	(5,297)	-
Canoe acquisition and training	4,281	-	(4,281)	-
Observation deck construction	6,565	-	(1,749)	4,816
Bridgestone river project	-	3,024	(3,024)	-
Valve house restoration	-	4,067	(4,067)	-
Grassland restoration	-	5,000	-	5,000
Other restricted donations	13,041	-	-	13,041
	<u>\$ 741,469</u>	<u>\$ 671,014</u>	<u>\$(238,903)</u>	<u>\$1,173,580</u>

NOTE 9 - CONCENTRATION OF CREDIT RISK

Contributions received from two sources comprised approximately 37% of total contributions received for the year ended December 31, 2017 (approximately 20% of total contribution revenues were from one source for the year ended December 31, 2016). Contributions receivable from five contributors comprised 77% of the receivable balance for the year ended December 31, 2017 (contributions receivable from three contributors comprised 77% of the receivable balance as of December 31, 2016).

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

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2017 AND 2016

NOTE 10 - RELATED PARTY TRANSACTIONS

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.

Donated services included in contribution income in 2016 include in-kind contributions by Board members as follows: \$12,000 for graphic design for the 2017 calendar, \$19,400 for marketing and public relations services, \$36,000 for attorney fees, \$12,000 for labor related to construction of the Barbara J. Mapp Aviary Education Center, and \$24,000 for accounting services.

NOTE 11 - SUBSEQUENT EVENTS

During January 2018, FORL gifted approximately 32 acres of property worth approximately \$1,200,000 to the State of Tennessee. Also during January 2018, FORL transferred 1.7 acres of property to the State of Tennessee in exchange for approximately \$315,000. The property had a cost basis of approximately \$395,000. Additionally, during May 2018, FORL acquired additional property at a cost of approximately \$760,000. FORL intends to gift this property to the State in a future year.