

FRIENDS OF RADNOR LAKE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2009 AND 2008

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Friends of Radnor Lake
Nashville, Tennessee

We have audited the accompanying statements of financial position of Friends of Radnor Lake (a not-for-profit corporation) ("FORL") as of December 31, 2009 and 2008, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of FORL's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Friends of Radnor Lake as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

KraftCPAs PLLC

Nashville, Tennessee
August 31, 2010

FRIENDS OF RADNOR LAKE

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 732,791	\$ 278,185
Accounts receivable - license plate fees	9,247	7,529
Accounts receivable - other	600	1,050
Inventory	3,446	391
Furniture and equipment, net - Note 2	4,709	5,717
Land - Notes 3 and 4	<u>2,683,475</u>	<u>2,353,431</u>
TOTAL ASSETS	<u>\$ 3,434,268</u>	<u>\$ 2,646,303</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 4,542	\$ 5,465
Grantor advance - Note 3	500,000	-
Note payable - Note 5	<u>300,000</u>	<u>400,000</u>
TOTAL LIABILITIES	<u>804,542</u>	<u>405,465</u>
NET ASSETS		
Unrestricted:		
Invested in land	2,383,475	1,953,431
Board designated	10,000	-
Undesignated	<u>229,995</u>	<u>273,756</u>
Total unrestricted	2,623,470	2,227,187
Temporarily restricted - Note 6	<u>6,256</u>	<u>13,651</u>
TOTAL NET ASSETS	<u>2,629,726</u>	<u>2,240,838</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,434,268</u>	<u>\$ 2,646,303</u>

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

FRIENDS OF RADNOR LAKE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND SUPPORT						
Contributions and public support:						
Individuals, foundations and other	\$ 100,716	\$ 5,337	\$ 106,053	\$ 92,922	\$ 22,714	\$ 115,636
Donated real estate	325,000	-	325,000	-	-	-
In-kind	25,840	-	25,840	40,716	-	40,716
License plate fees	40,877	-	40,877	46,797	-	46,797
Fundraising events	27,765	-	27,765	23,304	-	23,304
Calendar sales	7,491	-	7,491	14,705	-	14,705
Less: cost of calendar sales	(4,541)	-	(4,541)	(6,895)	-	(6,895)
Interest income	1,854	-	1,854	7,044	119	7,163
Rental income - Note 3	3,600	-	3,600	-	-	-
Loss on disposal of equipment	-	-	-	(322)	-	(322)
Net assets released from restrictions:						
Satisfaction of purpose restrictions - Note 6	12,732	(12,732)	-	27,044	(27,044)	-
TOTAL REVENUES AND SUPPORT	541,334	(7,395)	533,939	245,315	(4,211)	241,104
EXPENSES						
Program services - Note 4						
Land acquisition, grants and other contract costs	18,531	-	18,531	40,025	-	40,025
Land grant to the State of Tennessee - Note 3	-	-	-	95,196	-	95,196
Other services	72,507	-	72,507	56,801	-	56,801
Supporting services:						
Management and general	40,523	-	40,523	37,489	-	37,489
Fundraising	13,490	-	13,490	22,115	-	22,115
TOTAL EXPENSES	145,051	-	145,051	251,626	-	251,626
CHANGE IN NET ASSETS	396,283	(7,395)	388,888	(6,311)	(4,211)	(10,522)
NET ASSETS - BEGINNING OF YEAR	2,227,187	13,651	2,240,838	2,233,498	17,862	2,251,360
NET ASSETS - END OF YEAR	\$ 2,623,470	\$ 6,256	\$ 2,629,726	\$ 2,227,187	\$ 13,651	\$ 2,240,838

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

FRIENDS OF RADNOR LAKE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 388,888	\$ (10,522)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,951	4,615
Noncash contribution of land	(325,000)	-
Land grant to the State of Tennessee - Note 3	-	95,196
Loss on disposal of equipment	-	322
(Increase) decrease in:		
Accounts receivable - license plate fees	(1,718)	4,155
Accounts receivable - other	450	570
Inventory	(3,055)	547
Increase (decrease) in:		
Accounts payable and accrued expenses	(923)	(1,837)
Grantor advance	500,000	-
TOTAL ADJUSTMENTS	<u>172,705</u>	<u>103,568</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>561,593</u>	<u>93,046</u>
NET CASH USED IN INVESTING ACTIVITIES		
Cash paid for purchase of land	(5,044)	(571,467)
Proceeds from sale of land	-	350,000
Purchase of equipment	<u>(1,943)</u>	<u>(600)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(6,987)</u>	<u>(222,067)</u>
NET CASH USED IN FINANCING ACTIVITIES		
Payment on note payable	<u>(100,000)</u>	<u>-</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(100,000)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	454,606	(129,021)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>278,185</u>	<u>407,206</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 732,791</u>	<u>\$ 278,185</u>
NONCASH INVESTING AND FINANCING ACTIVITY:		
Note payable issued for financing land purchase	<u>\$ -</u>	<u>\$ 400,000</u>

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

FRIENDS OF RADNOR LAKE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2009

		<u>SUPPORTING SERVICES</u>			
	<u>PROGRAM</u>	<u>MANAGEMENT</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>	
	<u>SERVICES</u>	<u>AND GENERAL</u>			
Salaries and wages and related payroll taxes	\$ 29,929	\$ 23,943	\$ 5,986	\$ 59,858	
Accounting fees	-	7,150	-	7,150	
Bank fees	-	204	1,159	1,363	
Calendars - cost of sales	-	-	4,541	4,541	
Calendars - promotional gifts	-	-	590	590	
Computer maintenance	-	445	-	445	
Dues and subscriptions	-	58	-	58	
Environmental education	29	-	-	29	
Events	2,543	-	2,542	5,085	
Fees	-	320	-	320	
Frist technology grant	140	209	-	349	
Gifts and awards	376	376	-	752	
Hospitality	-	34	138	172	
Insurance	-	1,840	-	1,840	
In-kind interest expense	11,040	-	-	11,040	
Junior Ranger Program	5,815	-	-	5,815	
Land acquisition costs	18,531	-	-	18,531	
Newsletter	3,305	-	1,417	4,722	
Park support	5,863	-	-	5,863	
Postage and handling	-	204	204	408	
Printing and publications	-	35	-	35	
Property taxes	8,486	-	-	8,486	
REI grant	3,546	-	-	3,546	
Rent	-	1,300	-	1,300	
RLWSI - Water Quality Study	50	-	-	50	
Public relations	331	-	-	331	
Supplies	-	475	475	950	
Telephone	814	949	949	2,712	
Web site maintenance	240	30	30	300	
TOTAL EXPENSES BEFORE DEPRECIATION	91,038	37,572	18,031	146,641	
Depreciation	-	2,951	-	2,951	
TOTAL EXPENSES	91,038	40,523	18,031	149,592	
Less expenses included with revenues on the statement of activities as cost of sales	-	-	(4,541)	(4,541)	
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	\$ 91,038	\$ 40,523	\$ 13,490	\$ 145,051	

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

FRIENDS OF RADNOR LAKE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2008

		<u>SUPPORTING SERVICES</u>			
	<u>PROGRAM</u>	<u>MANAGEMENT</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>	
	<u>SERVICES</u>	<u>AND GENERAL</u>			
Salaries and wages and related payroll taxes	\$ 23,614	\$ 23,614	\$ 11,808	\$ 59,036	
Accounting fees	-	3,900	-	3,900	
Bank fees	-	146	829	975	
Calendars - cost of sales	-	-	6,895	6,895	
Calendars - promotional gifts	-	-	1,728	1,728	
Computer maintenance	-	580	-	580	
Dues and subscriptions	-	246	-	246	
Environmental education	707	-	-	707	
Events	1,282	-	1,282	2,564	
Fees	-	270	-	270	
Frist technology grant	297	446	-	743	
Gifts and awards	296	-	295	591	
Hospitality	-	-	716	716	
Insurance	-	1,680	-	1,680	
In-kind interest expense	5,750	-	-	5,750	
Junior Ranger Program	6,077	-	-	6,077	
Land acquisition costs	40,025	-	-	40,025	
Land grant to the State of Tennessee - Note 3	95,196	-	-	95,196	
Newsletter	4,768	-	3,179	7,947	
Park support	5,981	-	-	5,981	
Postage and handling	-	203	203	406	
Printing and publications	-	224	-	224	
Property taxes	4,027	-	-	4,027	
REI grant	1,463	-	-	1,463	
Rent	-	550	550	1,100	
RLWSI - Water Quality Study	845	-	-	845	
Public relations	328	-	-	328	
Supplies	-	113	112	225	
Telephone	226	902	1,128	2,256	
Web site maintenance	1,140	-	285	1,425	
TOTAL EXPENSES BEFORE DEPRECIATION	192,022	32,874	29,010	253,906	
Depreciation	-	4,615	-	4,615	
TOTAL EXPENSES	192,022	37,489	29,010	258,521	
Less expenses included with revenues on the statement of activities as cost of sales	-	-	(6,895)	(6,895)	
TOTAL EXPENSES INCLUDED IN EXPENSE SECTION OF THE STATEMENT OF ACTIVITIES	\$ 192,022	\$ 37,489	\$ 22,115	\$ 251,626	

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

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

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.

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, 2009 or 2008.

Accounting Standards Codification

In June 2009, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a Replacement of FASB Statement No. 162*. This statement modifies the Generally Accepted Accounting Principles ("GAAP") hierarchy by establishing only two levels of GAAP, authoritative and nonauthoritative accounting literature. Effective July 2009, the FASB Accounting Standards Codification (the "Codification") is considered the single source of authoritative U.S. accounting and reporting standards, except for additional authoritative rules and interpretive releases issued by the Securities and Exchange Commission. Nonauthoritative guidance and literature include, among other things, FASB Concepts Statements, American Institute of Certified Public Accountants Issues Papers and Technical Practice Aids, and accounting textbooks. The Codification was developed to organize GAAP pronouncements by topic so that users can more easily access authoritative accounting guidance.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

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

Contributions and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

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

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

FORL receives grant revenue from the State of Tennessee. Grant revenue is recognized in the period a liability is incurred for eligible expenditures or transfers of property under the terms of the grant.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Conditional promises to give are not included as support until such time as the conditions are substantially met. There were no contributions receivable at December 31, 2009 or 2008.

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.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2009 AND 2008

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.

On January 1, 2009, FORL adopted new guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions in an enterprise's financial statements. Income tax positions must meet a more-likely-than-not recognition threshold to be recognized. The adoption of this guidance did not have a material effect on FORL's financial position and results of operations.

As of December 31, 2009 and 2008, FORL did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

FORL files a U.S. Federal Form 990 for organizations exempt from income tax. FORL's returns for years prior to fiscal year 2006 are closed.

Inventory

Inventory is reported at the lower of cost (first-in, first-out method) or market.

Furniture, Equipment and Land

Furniture, equipment and land are reported at cost at the date of purchase or at estimated fair value at date of gift to the FORL. FORL's policy is to capitalize items with a cost of \$500 or more and an estimated useful life greater than one year. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from five to fifteen years.

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.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services (Continued)

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

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

Allocation of Functional Expenses

Expenses that can be directly attributed to a particular function are charged to that function. Expenses that relate to more than one function are allocated among applicable functions on the basis of objectively evaluated financial and nonfinancial data or reasonable subjective methods determined by management.

Donated Property, Goods, Services and Interest Expense

Property, professional services, and goods received as donations are reflected as support in the accompanying financial statements at their estimated or appraised fair value in the period received. For the year ended December 31, 2009, \$25,840 in donated services (legal and graphic design) and interest expense was recorded in the accompanying Statement of Activities (\$40,716 in donated goods and legal, real estate and photography services and interest expense for the year ended December 31, 2008).

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.

Events Occurring After Reporting Date

FORL has evaluated events and transactions that occurred between December 31, 2009 and August 31, 2010, 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)

DECEMBER 31, 2009 AND 2008

NOTE 2 - FURNITURE AND EQUIPMENT

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

	<u>2009</u>	<u>2008</u>
Furniture and equipment	\$ 41,303	\$ 39,360
Less accumulated depreciation	<u>(36,594)</u>	<u>(33,643)</u>
Furniture and equipment - net	<u>\$ 4,709</u>	<u>\$ 5,717</u>

NOTE 3 - LAND

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

Land consisted of the following as of December 31:

	<u>2009</u>	<u>2008</u>
Cheek property, and related costs	\$ 550,241	\$ 550,241
Campbell donated property	831,723	831,723
Yarbrough property, and related costs	710,547	710,547
Beck property, and related costs	260,920	260,920
Ansley donated property	325,000	-
Foster property, and related costs	<u>5,044</u>	<u>-</u>
Total	<u>\$ 2,683,475</u>	<u>\$ 2,353,431</u>

During 2008, FORL sold certain properties to the State for \$350,000. The \$95,196 excess of the carrying value of these properties over the sale proceeds was recognized in the 2008 Statement of Functional Expenses as a land grant to the State of Tennessee.

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2009 AND 2008

NOTE 3 - LAND (CONTINUED)

In addition, in December 2008, FORL entered into a grant agreement with the State of Tennessee, Heritage Conservation Trust Fund Board of Trustees (the "Fund"), under which FORL would receive \$500,000 in exchange for transferring certain property to the State. As of December 31, 2009, the funds had been received but the transfer of property had not yet been completed. The \$500,000 is reflected on the Statement of Financial Position as a grantor advance at December 31, 2009. It is presently anticipated that the Campbell, Yarbrough, and Beck properties and a portion of the Cheek property will be transferred under the agreement. At the date the transfer is completed, a land grant expense of approximately \$1.5 million will be recognized.

During 2009, FORL entered into an agreement in which FORL leased a certain parcel of land and related improvements and had the option to accept this property as a donation, pending various factors. FORL sub-leased the improvement to an individual for monthly payments of \$400. This lease expired April 1, 2010, and has subsequently been continued on a month-to-month basis at the same terms. In December 2009, FORL exercised the option, and this land and related improvement were donated to FORL and recorded at the estimated fair value of \$325,000.

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

NOTE 4 - PROGRAM ACCOMPLISHMENTS

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

	<u>2009</u>	<u>2008</u>
Program Services:		
Costs related to land acquisition, grants and other contracts	\$ 18,531	\$ 40,025
Land grant to the State of Tennessee	-	95,196
Other services	72,507	56,801
Land acquisitions (including donated and financed amount)	<u>330,044</u>	<u>971,467</u>
Total	<u>\$ 421,082</u>	<u>\$ 1,163,489</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2009 AND 2008

NOTE 5 - NOTE PAYABLE

In connection with the purchase of the Yarbrough property during 2008 (see Note 3), FORL issued a note payable to the sellers in the amount of \$400,000. At December 31, 2009, the outstanding balance on the note payable was \$300,000 (\$400,000 at December 31, 2008). The note is non-interest bearing and requires four annual installments of \$100,000 each, beginning in 2009 and continuing through 2012. Imputed interest in the amount of \$11,040 is reported as contribution revenue and interest expense for the year ended December 31, 2009 (\$5,750 for the year ended December 31, 2008).

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

Changes in temporarily restricted net assets for the year ended December 31, 2009 were as follows:

	2009			
	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Contributions restricted for specific purposes:				
Other land acquisitions	\$ -	\$ 1,050	\$ (1,050)	\$ -
Technology equipment and training	433	-	(349)	84
Trail signage	-	2,000	-	2,000
Junior Ranger Program	6,256	-	(5,815)	441
Environmental education	-	2,287	(29)	2,258
REI grant	<u>6,962</u>	<u>-</u>	<u>(5,489)</u>	<u>1,473</u>
	<u>\$ 13,651</u>	<u>\$ 5,337</u>	<u>\$ (12,732)</u>	<u>\$ 6,256</u>

FRIENDS OF RADNOR LAKE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2009 AND 2008

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

Changes in temporarily restricted net assets for the year ended December 31, 2008 were as follows:

	2008			
	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Contributions restricted for specific purposes:				
Other land acquisitions	\$ 5,844	\$ 11,529	\$ (17,373)	\$ -
Technology equipment and training	126	1,650	(1,343)	433
Junior Ranger Program	11,333	1,000	(6,077)	6,256
Environmental education	-	229	(229)	-
REI grant	-	8,425	(1,463)	6,962
Netherton video	559	-	(559)	-
	<u>\$ 17,862</u>	<u>\$ 22,833</u>	<u>\$ (27,044)</u>	<u>\$ 13,651</u>

NOTE 7 - CONCENTRATION OF CREDIT RISK

During 2009, FORL received approximately 8% (19% in 2008) of its total revenues and support from the State of Tennessee for fees generated from the sale of FORL license plates. In addition, during 2009, one donor contributed a parcel of land and improvements to FORL, which accounted for 61% of its total revenue and support.

FORL maintains cash and investment balances in bank deposit accounts with financial institutions whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to statutory limits. As of December 31, 2009, FORL's accounts were fully insured.

NOTE 8 - RELATED PARTY TRANSACTIONS

Donated services included in contribution income in 2009 include in-kind contributions by Board members as follows: \$600 for graphic design for the 2009 calendar and approximately \$14,200 for attorney fees. Donated services included in contribution income in 2008 include in-kind contributions by Board members as follows: \$600 for photography for the 2009 calendar and approximately \$33,000 for real estate services and attorney fees. In addition, one Board member is employed by FORL's financial institution.