

**UPSTATE GREENWAYS AND TRAILS ALLIANCE
GREENVILLE, SOUTH CAROLINA
FINANCIAL STATEMENTS
DECEMBER 31, 2023**

(With Independent Auditor's Report Thereon)

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**DON WYANT JR., CPA
321 SHADOW RIDGE CIRCLE
SIMPSONVILLE, SC 29681
(864) 346-8673**

INDEPENDENT AUDITORS' REPORT

Board of Directors
Upstate Greenways and Trails Alliance
Greenville, South Carolina

Opinion

We have audited the accompanying statement of financial position of Upstate Greenways and Trails Alliance ("the organization), as of December 31, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, as well as the related notes to the financial statements. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of Upstate Greenways and Trails Alliance as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles general accepted in the United States of America, this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the 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, which raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

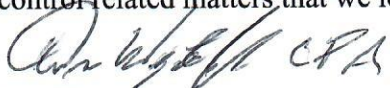
Auditor's Responsibility for the Audit of the Financial Statements

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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement 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 the Organization's internal control. Accordingly, such an 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 made by the management.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about the Organization'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.



Don Wyant, Jr. CPA
Simpsonville, South Carolina
June 4, 2024

**UPSTATE GREENWAYS AND TRAILS ALLIANCE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

ASSETS

Current assets	
Cash and cash equivalents	\$ 5,347,780
Other current assets	665
Total current assets	<u>5,348,445</u>
Property and equipment	
Equipment	8,215
Trail access acquisition	30,000
Vehicles	14,640
Total property and equipment	<u>52,855</u>
Accumulated depreciation	<u>(1,769)</u>
Net property and equipment	<u>51,086</u>
Total Assets	<u><u>\$ 5,399,531</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	<u>-</u>
Total current liabilities	<u>-</u>
Total liabilities	<u>-</u>
Restricted net assets	4,728,167
Unrestricted net assets	671,364
Total net assets	<u>5,399,531</u>
Total liabilities and net assets	<u><u>\$ 5,399,531</u></u>

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

UPSTATE GREENWAYS AND TRAILS ALLIANCE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Grants	553,159	4,728,167	5,281,326
Donations	9,340	-	9,340
Service income	7,750	-	7,750
Interest income	55,996	-	55,996
Net assets release from restriction	326,875	(326,875)	-
Total revenues	<u>953,120</u>	<u>4,401,292</u>	<u>5,354,412</u>
Expenses:			
Program services	304,617	-	304,617
Total program expenses	<u>304,617</u>	<u>-</u>	<u>304,617</u>
Supporting services			
Management and general	58,942	-	58,942
Fundraising	26,962	-	26,962
Total supporting expenses	<u>85,904</u>	<u>-</u>	<u>85,904</u>
Total expenses	<u>390,521</u>	<u>-</u>	<u>390,521</u>
Change in net assets	562,599	4,401,292	4,963,891
Net assets at beginning of year	<u>108,765</u>	<u>326,875</u>	<u>435,640</u>
Net assets at end of year	<u>\$ 671,364</u>	<u>\$ 4,728,167</u>	<u>\$ 5,399,531</u>

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

**UPSTATE GREENWAYS AND TRAILS ALLIANCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Cash flows from operating activities:	
Increase in net assets	\$ 4,963,891
Adjustments to reconcile net assets to net cash used by operating activities:	
Depreciation	\$ 1,769
Changes in assets and liabilities	
Other current assets	-
Accounts payable and accrued expenses	-
Net cash used by operating activities	<u>4,965,660</u>
Cash flows from investing activities:	
Purchase of property and equipment, net	<u>(52,855)</u>
Net cash used in investing activities	<u>(52,855)</u>
Cash flows used in financing activities:	<u>-</u>
Net increase in cash and cash equivalents	4,912,805
Cash and Cash Equivalents, December 31, 2022	<u>434,975</u>
Cash and Cash Equivalents, December 31, 2023	<u><u>\$ 5,347,780</u></u>

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

UPSTATE GREENWAYS AND TRAILS ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Salaries and wages	\$ 122,936	\$ 32,783	\$ 8,196	\$ 163,914
Payroll taxes	9,404	2,508	627	12,539
Employee benefits	3,374	900	225	4,499
Office expense	854	228	57	1,139
Information technology	2,843	758	190	3,791
Interest	332	88	22	442
Repairs and maintenance	1,721	459	115	2,295
Depreciation expense	1,327	354	88	1,769
Travel, meals and entertainment	5,731	1,528	382	7,641
Occupancy expense	7,792	2,078	519	10,389
Professional fees - Lobbying	-	16,302	16,302	32,604
Program service expense	144,717	-	-	144,717
Insurance	3,587	956	239	4,782
	<u>\$ 304,617</u>	<u>\$ 58,942</u>	<u>\$ 26,962</u>	<u>\$ 390,521</u>

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

UPSTATE GREENWAYS AND TRAILS ALLIANCE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Nature of Organization

The Upstate Greenways and Trails Alliance (the "Organization") is a not-for-profit organization, incorporated in December 2019.

The organization's mission is to rapidly expand and improve the greenways and trails network of Upstate South Carolina through an alliance of partners and by using public-private partnerships.

b) Basis of Accounting

The financial statements of the Organization have been prepared utilizing the actual method of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. The financial statements present financial position and results of activities in conformity with accounting principles generally accepted in the United States of America.

c) Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") in the *Accounting Standards Codification* ("ASC"). Under FASB, ASC the Alliance is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions – Net assets not subject to donor-imposed stipulations and currently available for operating purposes under the direction of the Board of Directors, ("Board"), designated by the Board for specific purposes.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

d) Contributions and Revenue

The Organization records contributions received as support without donor restrictions or with donor restrictions depending on the evidence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose of restrictions.

Contributions are recognized when received or when the donor makes an unconditional promise to give to the Organization. Contributions which are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions and are reclassified in net assets with donor restrictions and reported in the Statement of Activities as restrictive contributions expended as the restrictions expire.

e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash balances in depository institutions.

f) Property and Equipment

Property and equipment are stated at cost. Depreciation is computed over the estimated useful lives of the related assets of 5-7 years, using the straight line method.

g) Income Taxes

The organization is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code. A federal Form 990 is filed annually. The Organization has adopted the provisions of the *Accounting for Uncertainty in Income Taxes* topic of FASB ASC. This guidance addresses the accounting uncertainty in income taxes recognized in an organization's financial statements and prescribes a threshold of more-likely-than-not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. It also provides related guidance on measurement classification, interest and penalties, and disclosure. The Organization has determined that it has no uncertain tax positions requiring accrual and disclosure.

h) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i) Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

j) Statement of Financial Position Presentation

Assets and liabilities presented in the Statement of Financial Position are recorded in order of liquidity or nearness to conversion of cash.

2 - CASH AND CASH EQUIVALENTS

The Organization maintains cash balances at three financial institutions. The Federal Depository Insurance Corporation (“FDIC”) protect accounts up to \$250,000. At December 31, 2023, the Organization had uninsured cash balances of \$4,847,779.

3 - DONATED SERVICES

A substantial number of unpaid volunteers have made significant contributions of their time in the furtherance of Organization’s activities. Such services do not meet the criteria for recognition as contributions; therefore, their value is not reflected in the accompanying financial statements.

4 - REVENUE RECOGNITION

The Organization adopted the provisions of the *Revenue from Contracts with Customers* topic of FASB ASC. This guidance replaces most existing revenue recognition in U. S. GAAP and requires expanded disclosure relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

The adoption of this ASC did not have a significant impact on the Organization’s financial statements. Based on the Organization’s evaluation process and review of its contacts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

The Organization recognizes revenue as both unconditional and conditional contributions and grants. Unconditional contributions are recognized when received, while a conditional contribution is recognized upon satisfaction of the donor’s condition or when the grant funds have been expended in accordance with the provisions of the respective agreements. Management has determined that contributions and grants are non-reciprocal transactions and therefore fall under the scope of the *Contributions Received* topic of ASC.

5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following table reflects the Organization’s financial assets as of December 31, 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable because certain net assets are donor restricted. The Organization has the following financial assets that could readily be made available within one year of the Statement of Financial Position date to fund expenses without limitations:

Financial assets:	
Cash	\$ 5,347,780
Financial assets, at year-end	<u>5,347,780</u>
Less those unavailable for general expenditures within one year due to:	<u>-</u>
Financial assets available to meet cash need for general expenditures within one year	<u>\$ 5,347,780</u>

The Organization has a policy to structure its financial assets to be available as its general expenses, liabilities, and other obligations come due. The Organization monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash.

6 - FAIR VALUE OF FINANCIAL INSTRUMENTS

The Organization has adopted the provisions of the *Fair Value Measurements* topic of FASB ASC. This guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

This guidance defines fair value as the price that would be received to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and maximize the use of unobservable inputs when measuring fair value. Level 1 inputs represent fair values obtained using quoted prices in active markets. Level 2 inputs represent fair values obtained from observable market data but not from quoted market prices. Level 3 inputs represent unobservable inputs that are supported by little or no market activity and are generally based on the entity's own assumptions.

The following methods and assumptions are used to estimate the fair value of each financial instrument.

Cash and other current assets – the carrying value approximate fair value due to their short maturities.

7 – CONCENTRATIONS OF REVENUE

The Organization's received 93% of its revenue and support from 1 major contributor.

8 - SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through June 4, 2024, the date the financial statements were available to be issued. There were no additional events requiring recording for the year ended December 31, 2023.