

GREENWAYS FOR NASHVILLE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2023 AND 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greenways for Nashville
Nashville, Tennessee

OPINION

We have audited the accompanying financial statements of Greenways for Nashville ("Greenways"), which comprise the statements of financial position as of June 30, 2023 and 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of Greenways for Nashville as of June 30, 2023 and 2022, 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 Greenways 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 the 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 Greenway'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 Greenway'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 Greenway'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 6, 2024

GREENWAYS FOR NASHVILLE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,346,061	\$ 1,063,571
Prepaid expenses and other	12,492	22,506
Funds held for Stone Hall	<u>58,677</u>	<u>58,491</u>
 TOTAL ASSETS	 <u>\$ 1,417,230</u>	 <u>\$ 1,144,568</u>
 <u>LIABILITIES AND NET ASSETS</u>		
 LIABILITIES		
Accounts payable and accrued expenses	\$ 13,456	\$ 14,873
Deferred revenue	80,000	77,750
Funds held for Stone Hall	<u>58,677</u>	<u>58,491</u>
 TOTAL LIABILITIES	 <u>152,133</u>	 <u>151,114</u>
 NET ASSETS		
Without donor restrictions:		
Board designated	19,104	12,660
Undesignated	<u>800,058</u>	<u>714,853</u>
Total without donor restrictions	819,162	727,513
With donor restrictions	<u>445,935</u>	<u>265,941</u>
 TOTAL NET ASSETS	 <u>1,265,097</u>	 <u>993,454</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 1,417,230</u>	 <u>\$ 1,144,568</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Contributions and public support	\$ 242,093	\$ 191,663	\$ 433,756
Special events	429,772	-	429,772
Less: direct donor benefits	(159,149)	-	(159,149)
Interest income	19,466	-	19,466
Net assets released resulting from satisfaction of donor restrictions	<u>11,669</u>	<u>(11,669)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>543,851</u>	<u>179,994</u>	<u>723,845</u>
EXPENSES			
Program services	367,132	-	367,132
Supporting services:			
Management and general	53,834	-	53,834
Fundraising	<u>31,236</u>	<u>-</u>	<u>31,236</u>
TOTAL EXPENSES	<u>452,202</u>	<u>-</u>	<u>452,202</u>
CHANGE IN NET ASSETS	91,649	179,994	271,643
NET ASSETS - BEGINNING OF YEAR	<u>727,513</u>	<u>265,941</u>	<u>993,454</u>
NET ASSETS - END OF YEAR	<u>\$ 819,162</u>	<u>\$ 445,935</u>	<u>\$ 1,265,097</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Contributions and public support	\$ 234,636	\$ 103,402	\$ 338,038
Special events	333,053	-	333,053
Less: direct donor benefits	(65,850)	-	(65,850)
Interest income	1,463	-	1,463
Other income	30,050	-	30,050
Net assets released resulting from satisfaction of donor restrictions	<u>39,421</u>	<u>(39,421)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>572,773</u>	<u>63,981</u>	<u>636,754</u>
EXPENSES			
Program services	354,601	-	354,601
Supporting services:			
Management and general	40,296	-	40,296
Fundraising	<u>16,521</u>	<u>-</u>	<u>16,521</u>
TOTAL EXPENSES	<u>411,418</u>	<u>-</u>	<u>411,418</u>
CHANGE IN NET ASSETS	161,355	63,981	225,336
NET ASSETS - BEGINNING OF YEAR	<u>566,158</u>	<u>201,960</u>	<u>768,118</u>
NET ASSETS - END OF YEAR	<u>\$ 727,513</u>	<u>\$ 265,941</u>	<u>\$ 993,454</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	<u>\$ 271,643</u>	<u>\$ 225,336</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Forgiveness of Paycheck Protection Program loan	-	(30,050)
(Increase) decrease in:		
Prepaid expenses and other	10,014	(22,506)
Increase (decrease) in:		
Accounts payable and accrued expenses	(1,417)	(3,629)
Deferred revenue	<u>2,250</u>	<u>28,457</u>
TOTAL ADJUSTMENTS	<u>10,847</u>	<u>(27,728)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>282,490</u>	<u>197,608</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	282,490	197,608
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,063,571</u>	<u>865,963</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,346,061</u>	<u>\$ 1,063,571</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

		<u>SUPPORTING SERVICES</u>		
	<u>PROGRAM</u>	<u>MANAGEMENT</u>		
	<u>SERVICES</u>	<u>AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries	\$ 195,167	\$ 28,217	\$ 11,757	\$ 235,141
Payroll taxes	15,818	2,287	953	19,058
Greenway improvements	24,737	-	-	24,737
Shelby Bottoms Nature Center	11,669	-	-	11,669
Contract labor and services	-	5,860	-	5,860
Professional fees	9,520	2,380	-	11,900
Occupancy	8,300	1,200	500	10,000
Travel	145	21	9	175
Advocacy	915	132	55	1,102
Constituent events and outreach	4,387	-	-	4,387
Supplies	1,258	1,688	123	3,069
Website	2,450	367	245	3,062
Insurance	16,070	2,410	1,607	20,087
Gifts and awards	100	-	-	100
Dues and publications	589	85	36	710
Printing and app design	23,559	-	4,825	28,384
Postage	1,242	311	-	1,553
Advertising and public relations	43,062	-	10,765	53,827
License and software	4,538	1,356	-	5,894
Fees	3,606	541	361	4,508
Event expense	-	-	159,149	159,149
Meetings	-	6,979	-	6,979
	<u>367,132</u>	<u>53,834</u>	<u>190,385</u>	<u>611,351</u>
TOTAL EXPENSES				
Less expenses netted against revenues on the statement of activities - direct donor benefits	<u>-</u>	<u>-</u>	<u>(159,149)</u>	<u>(159,149)</u>
TOTAL EXPENSES REPORTED UNDER PROGRAM SERVICES AND SUPPORTING SERVICES	<u>\$ 367,132</u>	<u>\$ 53,834</u>	<u>\$ 31,236</u>	<u>\$ 452,202</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2022

	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		MANAGEMENT AND GENERAL	FUNDRAISING	
Salaries	\$ 152,390	\$ 22,032	\$ 9,180	\$ 183,602
Payroll taxes	11,772	1,702	709	14,183
Greenway improvements	79,956	-	-	79,956
Shelby Bottoms Nature Center	798	-	-	798
Contract labor and services	8,337	1,205	502	10,044
Professional fees	9,006	1,302	543	10,851
Occupancy	6,723	972	405	8,100
Travel	417	60	25	502
Advocacy	1,338	193	81	1,612
Supplies	5,017	725	302	6,044
Website	378	55	23	456
Insurance	6,550	947	395	7,892
Gifts and awards	263	-	-	263
Dues and publications	672	97	41	810
Printing and app design	17,149	2,479	1,033	20,661
Postage	931	135	56	1,122
Advertising and public relations	43,725	6,322	2,634	52,681
License and software	4,237	613	255	5,105
Fees	3,251	470	196	3,917
Event expense	-	-	65,850	65,850
Meetings	1,691	987	141	2,819
TOTAL EXPENSES	354,601	40,296	82,371	477,268
Less expenses netted against revenues on the statement of activities - direct donor benefits	-	-	(65,850)	(65,850)
TOTAL EXPENSES REPORTED UNDER PROGRAM SERVICES AND SUPPORTING SERVICES	\$ 354,601	\$ 40,296	\$ 16,521	\$ 411,418

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

Greenways for Nashville (“Greenways”) is a Tennessee not-for-profit corporation. Its purpose is to create, preserve, and promote a system of greenways in Nashville and Davidson County. Greenways advocates preservation and protection of natural and cultural areas, development of community recreational opportunities, and acquisition of land for preservation as greenways and parks.

Basis of Presentation

The financial statements of Greenways have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) which require Greenways to report information regarding its financial position and activities according to the following net asset classifications:

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 Greenways management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Greenways 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.

Revenue Recognition

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions, depending on the existence and/or nature of any donor restrictions.

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 a 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.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Unconditional contributions of cash and other assets, including contributions receivable (unconditional promises to give), are recorded as revenue based upon any donor-imposed restrictions on the date of the donor's commitment or gift. Noncash contributions are recorded at the estimated fair value at the date of the gift. Contributions receivable, if any, are recorded at the estimated present value, net of an allowance for uncollectible amounts, if deemed necessary.

Revenue from special events is recognized as the events occur, as the revenue is considered conditional on the event occurring. As of June 30, 2023 and 2022, amounts received for the following year's events are recorded as deferred revenue.

Cash and Cash Equivalents

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

Funds Held for Stone Hall

Greenways administers and oversees reservations of Stone Hall Park facilities. Greenways is required to maintain a separate account for rental proceeds and those funds are held for use in accordance with the agreement with the Metropolitan Board of Parks and Recreation. Greenways has no discretionary powers over these funds and is to make payments as directed by the Metro Parks Department. Greenways recognized designated cash and a liability in the Statements of Financial Position. No revenues or expenses are recorded for such transactions, as they have been determined to be agency transactions.

Income Taxes

Greenways 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. Greenways 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 Greenways' 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.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program and Supporting Services

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

Program Services

Program Services consists of expenditures to support the initiatives of the Metro Parks Department and the Greenways and Open Space Commission to develop and enhance greenway trails and preserve land. To date, Greenways for Nashville has assisted in developing a significant trail footprint of nearly 100 miles, including the protection of over 2,700 acres of floodplain land and the addition of over 7,000 acres of park land through the Greenways and Open Space Division of Metro Parks. In addition to fundraising, Greenways educates citizens about Nashville's greenways and provides opportunities for community involvement.

Supporting Services

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 Greenways' 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. Other activities include the cost of solicitations and creation and distribution of fundraising materials.

Allocation of Functional Expenses

The costs of program and supporting services have been summarized on a functional basis in the Statements of Activities. The Statements of Functional Expenses present the natural classification detail of expenses by function. 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. Salaries, payroll taxes, contract labor and services, professional fees, occupancy, travel, advocacy, supplies, website, insurance, dues and publications, printing and app design, postage, advertising and public relations, license and software, fees and meetings are allocated on the basis of estimates of time and effort.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Greenways if not donated. Such services are recognized at estimated fair value as support and expense in the period the services are performed.

A substantial number of unpaid volunteers have contributed their time to the Greenways' program and supporting services. The value of this contributed time is not reflected in these statements since it does not meet the criteria noted above.

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 confirm to the current year's presentation. Such reclassifications had no effect on net assets or the change in net assets as previously reported.

Events Occurring After Reporting Date

Greenways has evaluated events and transactions that occurred between June 30, 2023 and March 6, 2024, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position, comprise the following as of June 30:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	<u>\$ 1,346,061</u>	<u>\$ 1,063,571</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	445,935	265,941
Board designations	<u>19,104</u>	<u>12,660</u>
	<u>465,039</u>	<u>278,601</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 881,022</u>	<u>\$ 784,970</u>

NOTE 3 - GREENWAY IMPROVEMENTS

Greenway improvements on the Statements of Functional Expenses consists of the following for the year ended June 30:

	<u>2023</u>	<u>2022</u>
Charlotte Rail-with-Greenway	\$ -	\$ 23,624
Trailhead Improvement Project	<u>24,737</u>	<u>56,332</u>
	<u>\$ 24,737</u>	<u>\$ 79,956</u>

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows as of June 30:

	<u>2023</u>	<u>2022</u>
Grants and contributions restricted for specific purposes:		
440/Browns Creek Greenway	\$ 116,349	\$ 116,349
Charlotte Rail-with-Greenway	268,024	86,524
Cumberland River Greenway	5,959	5,959
Richland Creek Greenway	15,507	15,507
Land Acquisition Stewardship	5,667	5,667
Peeler Park Greenway	5,722	5,722
Whites Creek Greenway	7,000	7,000
Shelby Bottoms Greenway	11,062	12,569
Other	<u>10,645</u>	<u>10,644</u>
	<u>\$ 445,935</u>	<u>\$ 265,941</u>

NOTE 5 - CONCENTRATION OF CREDIT RISK

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

Contributions received from one source totaled approximately \$115,000 or 13% of total revenues and support for the year ended June 30, 2023. There were no revenue concentrations for the year ended June 30, 2022.

NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN

In response to the COVID-19 pandemic, the Paycheck Protection Program was established under the CARES Act and administered by the Small Business Administration. Greenways entered into a Paycheck Protection Program loan of \$30,050 in January 2021, which was fully forgivable if at least 60% of the funds are used for payroll costs, and if certain other terms are met. By letter dated October 22, 2021, the full principal balance of \$30,050 was forgiven by the Small Business Administration. As such, Greenways recognized this amount as other income during the year ended June 30, 2022.