

GREENWAYS FOR NASHVILLE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2019 AND 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Greenways for Nashville
Nashville, Tennessee

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Greenways for Nashville ("Greenways") which comprise the statements of financial position as of June 30, 2019 and 2018, 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 Greenways for Nashville as of June 30, 2019 and 2018, 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.

Knight CPAs PLLC

Nashville, Tennessee
January 28, 2020

GREENWAYS FOR NASHVILLE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 756,084	\$ 614,297
Accounts receivable	-	4,332
Prepaid expenses	750	1,794
Funds held for Stone Hall	<u>56,300</u>	<u>50,957</u>
 TOTAL ASSETS	 <u>\$ 813,134</u>	 <u>\$ 671,380</u>
 <u>LIABILITIES AND NET ASSETS</u>		
 LIABILITIES		
Accounts payable and accrued expenses	\$ 14,875	\$ 4,997
Deferred revenue	19,401	10,000
Funds held for Stone Hall	<u>56,300</u>	<u>50,957</u>
 TOTAL LIABILITIES	 <u>90,576</u>	 <u>65,954</u>
 NET ASSETS		
Without donor restrictions:		
Board designated	8,117	4,702
Undesignated	<u>381,278</u>	<u>351,311</u>
Total without donor restrictions	389,395	356,013
With donor restrictions	<u>333,163</u>	<u>249,413</u>
 TOTAL NET ASSETS	 <u>722,558</u>	 <u>605,426</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 813,134</u>	 <u>\$ 671,380</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Contributions and public support	\$ 145,244	\$ 162,638	\$ 307,882
Member event sponsors	-	-	-
Dinner on the Bridge	170,113	-	170,113
Richland Creek Run	48,075	-	48,075
Interest income	6,864	-	6,864
Net assets released resulting from satisfaction of donor restrictions	78,888	(78,888)	-
TOTAL REVENUES AND SUPPORT	449,184	83,750	532,934
EXPENSES			
Program services	259,804	-	259,804
Supporting services:			
Management and general	43,138	-	43,138
Fundraising	112,860	-	112,860
TOTAL EXPENSES	415,802	-	415,802
CHANGE IN NET ASSETS	33,382	83,750	117,132
NET ASSETS - BEGINNING OF YEAR	356,013	249,413	605,426
NET ASSETS - END OF YEAR	\$ 389,395	\$ 333,163	\$ 722,558

See accompanying notes to financial statements.

2018		
Without Donor Restrictions	With Donor Restrictions	Total
\$ 126,695	\$ 190,997	\$ 317,692
12,332	-	12,332
142,450	-	142,450
37,767	-	37,767
3,476	-	3,476
<u>187,427</u>	<u>(187,427)</u>	<u>-</u>
<u>510,147</u>	<u>3,570</u>	<u>513,717</u>
355,020	-	355,020
37,586	-	37,586
<u>106,351</u>	<u>-</u>	<u>106,351</u>
<u>498,957</u>	<u>-</u>	<u>498,957</u>
11,190	3,570	14,760
<u>344,823</u>	<u>245,843</u>	<u>590,666</u>
<u><u>\$ 356,013</u></u>	<u><u>\$ 249,413</u></u>	<u><u>\$ 605,426</u></u>

GREENWAYS FOR NASHVILLE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Change in net assets	<u>\$ 117,132</u>	<u>\$ 14,760</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	4,332	(4,332)
Prepaid expenses	1,044	(1,794)
Increase in:		
Accounts payable and accrued expenses	9,878	3,961
Deferred revenue	<u>9,401</u>	<u>10,000</u>
TOTAL ADJUSTMENTS	<u>24,655</u>	<u>7,835</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>141,787</u>	<u>22,595</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	141,787	22,595
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>614,297</u>	<u>591,702</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 756,084</u>	<u>\$ 614,297</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019			
	PROGRAM SERVICES	SUPPORTING SERVICES		TOTAL
		MANAGEMENT AND GENERAL	FUNDRAISING	
Salaries	\$ 122,235	\$ 17,673	\$ 7,364	\$ 147,272
Payroll taxes	9,351	1,352	563	11,266
Greenway improvements	73,640	-	-	73,640
Shelby Bottoms Nature Center	5,830	-	-	5,830
Contract labor and services	-	7,968	-	7,968
Professional fees	8,092	2,023	-	10,115
Occupancy	-	8,100	-	8,100
Travel	43	7	4	54
Advocacy	3,558	-	-	3,558
Supplies	1,471	593	147	2,211
Website	473	71	47	591
Insurance	6,080	912	608	7,600
Gifts and awards	724	-	-	724
Dues and publications	-	294	-	294
Printing and app design	18,420	-	1,733	20,153
Postage	1,344	336	-	1,680
Advertising and public relations	1,750	22	201	1,973
License and software	3,413	1,206	-	4,619
Fees	3,380	507	338	4,225
Member events	-	-	-	-
Event expense	-	-	101,855	101,855
Meetings	-	2,074	-	2,074
TOTAL EXPENSES	<u>\$ 259,804</u>	<u>\$ 43,138</u>	<u>\$ 112,860</u>	<u>\$ 415,802</u>

See accompanying notes to financial statements.

2018

PROGRAM SERVICES	SUPPORTING SERVICES		
	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
\$ 104,319	\$ 14,038	\$ 9,738	\$ 128,095
7,485	936	936	9,357
180,251	-	-	180,251
10,510	-	-	10,510
-	9,087	-	9,087
3,127	782	-	3,909
-	8,100	-	8,100
149	22	15	186
346	-	-	346
879	955	88	1,922
723	109	72	904
4,238	636	424	5,298
419	-	-	419
-	201	-	201
21,580	-	1,878	23,458
918	229	-	1,147
3,568	31	506	4,105
3,090	993	-	4,083
2,923	438	292	3,653
10,495	-	2,624	13,119
-	-	89,778	89,778
-	1,029	-	1,029
<u>\$ 355,020</u>	<u>\$ 37,586</u>	<u>\$ 106,351</u>	<u>\$ 498,957</u>

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

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.

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 Statement of Financial Position. No revenues or expenses are recorded for such transactions, as they have been determined to be agency transactions.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Program and Supporting Services

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

Program Services - consists of expenditures to support the initiatives of the Metro Parks Department and the Greenways and Open Space Commission by building trails and enhancements and preserving land. To date, Greenways and Open Space has assisted in developing a significant trail footprint of nearly 90 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, Greenways educates citizens about Nashville's greenways and provides opportunities for community and open space involvement.

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.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, professional fees, travel, supplies, website, insurance, printing and app design, postage, advertising and public relations, license and software, and fees are allocated on the basis of estimates of time and effort.

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.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Pronouncement

On August 18, 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-14, *Not-for-Profit Entities* (Topic 958) - *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Additionally, ASU 2016-14 requires all not-for-profit organizations to present expenses by their natural and functional expense classifications. Greenways has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.

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. Greenways 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. Greenways has not yet selected a transition method. Greenways does not expect that the adoption of the updated standard will have a material impact on the financial statements.

In November 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash (a consensus of the FASB Emerging Issues Task Force)*, which provides guidance on the presentation of restricted cash or restricted cash equivalents in the statement of cash flows. ASU 2016-18 will be effective for Greenways beginning on January 1, 2019. ASU 2016-18 must be applied using a retrospective transition method with early adoption permitted. Greenways is currently evaluating the impact of the adoption of this guidance on its financial statements.

GREENWAYS FOR NASHVILLE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Authoritative Accounting Guidance (Continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The ASU has different effective dates for resource recipients and resource providers. Where Greenways is the resource recipient, the ASU is applicable to contributions received for annual periods beginning after December 15, 2018. Where Greenways is a resource provider, the ASU is effective for annual periods beginning after December 15, 2019. Early adoption is permitted. Greenways is currently evaluating the impact of the adoption of this guidance on its financial statements.

Events Occurring After Reporting Date

Greenways has evaluated events and transactions that occurred between June 30, 2019 and January 28, 2020, the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

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, 2019:

Financial assets:

Cash and cash equivalents	\$ 756,084
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Less amounts not available to be used within one year:

Net assets with donor restrictions	333,163
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Board designations	<u>8,117</u>
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	<u>341,280</u>
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Financial assets available to meet general expenditures
over the next twelve months

	<u>\$ 414,804</u>
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GREENWAYS FOR NASHVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 3 - GREENWAY AND PARK IMPROVEMENTS

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

	<u>2019</u>	<u>2018</u>
440 Greenway	\$ 49,671	\$ 135,749
Mill Creek Greenway	938	409
Proctor Barn at Beaman Park	-	10,000
Richland Creek Greenway	1,544	-
Stones River Greenway	-	6,654
Charlotte Rails - Trails	15,686	-
Greenway Amenities	5,801	1,180
Gale Lane Shelter	-	26,259
	<u>\$ 73,640</u>	<u>\$ 180,251</u>

During the year ended June 30, 2018, Greenways completed a donation of land to the Department of Parks and Recreation of the Metropolitan Government of Nashville and Davidson County, Tennessee for use as part of its park system. The value of the property donated was recorded as a contribution payable on the Statement of Financial Position at June 30, 2017.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2019</u>	<u>2018</u>
Grants and contributions restricted for specific purposes:		
440/Browns Creek Greenway	\$ 116,349	\$ 166,020
Charlotte Rails - Trails Greenway	164,896	30,000
Cumberland River Greenway	5,959	5,959
Richland Creek Greenway	15,507	17,050
Land Acquisition Stewardship	5,667	5,667
Peeler Park Greenway	5,722	5,722
Whites Creek Greenway	7,000	7,000
Other	12,063	11,995
	<u>\$ 333,163</u>	<u>\$ 249,413</u>

GREENWAYS FOR NASHVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

NOTE 5 - CONCENTRATION OF CREDIT RISK

Contributions received from one source comprised approximately 49% of total contributions for the year ended June 30, 2019 (contributions from one source comprised approximately 47% of total contributions for the year ended June 30, 2018).

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.