

GREENWAYS FOR NASHVILLE
NASHVILLE, TENNESSEE
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2021 AND 2020

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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, 2021 and 2020, 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, 2021 and 2020, 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.

Kraft CPAs PLLC

Nashville, Tennessee
February 12, 2022

GREENWAYS FOR NASHVILLE

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 865,963	\$ 735,032
Prepaid expenses and other	-	11,937
Funds held for Stone Hall	<u>58,414</u>	<u>58,312</u>
 TOTAL ASSETS	 <u>\$ 924,377</u>	 <u>\$ 805,281</u>
 <u>LIABILITIES AND NET ASSETS</u>		
 LIABILITIES		
Accounts payable and accrued expenses	\$ 18,502	\$ 5,665
Paycheck Protection Program loan	30,050	30,050
Deferred revenue	49,293	39,350
Funds held for Stone Hall	<u>58,414</u>	<u>58,312</u>
 TOTAL LIABILITIES	 <u>156,259</u>	 <u>133,377</u>
 NET ASSETS		
Without donor restrictions:		
Board designated	12,340	11,966
Undesignated	<u>553,818</u>	<u>400,050</u>
Total without donor restrictions	566,158	412,016
With donor restrictions	<u>201,960</u>	<u>259,888</u>
 TOTAL NET ASSETS	 <u>768,118</u>	 <u>671,904</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 924,377</u>	 <u>\$ 805,281</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Contributions and public support	\$ 130,839	\$ 30,637	\$ 161,476
Dinner on the Bridge	254,695	-	254,695
Richland Creek Run	38,217	-	38,217
Interest income	1,460	-	1,460
Other income	30,050	-	30,050
Net assets released resulting from satisfaction of donor restrictions	<u>88,565</u>	<u>(88,565)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>543,826</u>	<u>(57,928)</u>	<u>485,898</u>
EXPENSES			
Program services	293,955	-	293,955
Supporting services:			
Management and general	50,940	-	50,940
Fundraising	<u>44,789</u>	<u>-</u>	<u>44,789</u>
TOTAL EXPENSES	<u>389,684</u>	<u>-</u>	<u>389,684</u>
CHANGE IN NET ASSETS	154,142	(57,928)	96,214
NET ASSETS - BEGINNING OF YEAR	<u>412,016</u>	<u>259,888</u>	<u>671,904</u>
NET ASSETS - END OF YEAR	<u>\$ 566,158</u>	<u>\$ 201,960</u>	<u>\$ 768,118</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT			
Contributions and public support	\$ 150,372	\$ 18,785	\$ 169,157
Dinner on the Bridge	235,178	-	235,178
Richland Creek Run	37,826	-	37,826
Interest income	4,829	-	4,829
Other income	-	-	-
Net assets released resulting from satisfaction of donor restrictions	<u>92,060</u>	<u>(92,060)</u>	<u>-</u>
TOTAL REVENUES AND SUPPORT	<u>520,265</u>	<u>(73,275)</u>	<u>446,990</u>
EXPENSES			
Program services	315,555	-	315,555
Supporting services:			
Management and general	52,608	-	52,608
Fundraising	<u>129,481</u>	<u>-</u>	<u>129,481</u>
TOTAL EXPENSES	<u>497,644</u>	<u>-</u>	<u>497,644</u>
CHANGE IN NET ASSETS	22,621	(73,275)	(50,654)
NET ASSETS - BEGINNING OF YEAR	<u>389,395</u>	<u>333,163</u>	<u>722,558</u>
NET ASSETS - END OF YEAR	<u>\$ 412,016</u>	<u>\$ 259,888</u>	<u>\$ 671,904</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 96,214	\$ (50,654)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Forgiveness of Paycheck Protection Program loan	(30,050)	-
(Increase) decrease in:		
Prepaid expenses and other	11,937	(11,187)
Increase (decrease) in:		
Accounts payable and accrued expenses	12,837	(9,210)
Deferred revenue	9,943	19,949
TOTAL ADJUSTMENTS	<u>4,667</u>	<u>(448)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>100,881</u>	<u>(51,102)</u>
FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	<u>30,050</u>	<u>30,050</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>30,050</u>	<u>30,050</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	130,931	(21,052)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>735,032</u>	<u>756,084</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 865,963</u>	<u>\$ 735,032</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	<u>PROGRAM</u> <u>SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
		<u>MANAGEMENT</u> <u>AND GENERAL</u>	<u>FUNDRAISING</u>	
Salaries	\$ 132,356	\$ 19,136	\$ 7,973	\$ 159,465
Payroll taxes	10,125	1,464	610	12,199
Greenway improvements	77,523	-	-	77,523
Shelby Bottoms Nature Center	1,042	-	-	1,042
Contract labor and services	-	14,702	-	14,702
Professional fees	9,530	2,382	-	11,912
Occupancy	-	8,100	-	8,100
Travel	123	18	12	153
Advocacy	767	-	-	767
Supplies	942	1,274	94	2,310
Website	323	48	33	404
Insurance	3,765	565	376	4,706
Gifts and awards	-	-	-	-
Dues and publications	-	455	-	455
Printing and app design	9,062	-	1,813	10,875
Postage	2,159	540	-	2,699
Advertising and public relations	39,068	-	9,767	48,835
License and software	4,138	1,255	-	5,393
Fees	3,032	455	303	3,790
Event expense	-	-	23,808	23,808
Meetings	-	546	-	546
TOTAL EXPENSES	\$ 293,955	\$ 50,940	\$ 44,789	\$ 389,684

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	<u>PROGRAM</u>	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
		<u>MANAGEMENT</u>	<u>FUNDRAISING</u>	
	<u>SERVICES</u>	<u>AND GENERAL</u>		
Salaries	\$ 122,870	\$ 17,764	\$ 7,402	\$ 148,036
Payroll taxes	9,400	1,359	566	11,325
Greenway improvements	93,340	-	-	93,340
Shelby Bottoms Nature Center	3,536	-	-	3,536
Contract labor and services	-	18,434	-	18,434
Professional fees	8,274	2,068	-	10,342
Occupancy	-	8,100	-	8,100
Travel	48	7	5	60
Advocacy	3,006	-	-	3,006
Supplies	1,388	840	139	2,367
Website	1,248	187	125	1,560
Insurance	4,098	615	410	5,123
Gifts and awards	47	-	-	47
Dues and publications	-	438	-	438
Printing and app design	20,479	-	1,834	22,313
Postage	1,743	436	-	2,179
Advertising and public relations	39,461	-	9,865	49,326
License and software	3,003	1,011	-	4,014
Fees	3,614	542	361	4,517
Event expense	-	-	108,774	108,774
Meetings	-	807	-	807
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENSES	<u>\$ 315,555</u>	<u>\$ 52,608</u>	<u>\$ 129,481</u>	<u>\$ 497,644</u>

See accompanying notes to financial statements.

GREENWAYS FOR NASHVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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, 2021 AND 2020

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, 2021 and 2020, 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, 2021 AND 2020

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, 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.

GREENWAYS FOR NASHVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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.

Recent Authoritative Accounting Guidance

In September 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit entity to present contributed nonfinancial assets in the statement of activities as a line item that is separate from contributions of cash or other financial assets. ASU 2020-07 also requires additional qualitative and quantitative disclosures about contributed nonfinancial assets received, disaggregated by category. This ASU is effective for Greenways beginning on July 1, 2021. Greenways is currently evaluating the impact of this new guidance on its financial statements

Events Occurring After Reporting Date

Greenways has evaluated events and transactions that occurred between June 30, 2021 and February 12, 2022, 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, 2021 AND 2020

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>2021</u>	<u>2020</u>
Financial assets:		
Cash and cash equivalents	\$ <u>865,963</u>	\$ <u>735,032</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	201,960	259,888
Board designations	<u>12,340</u>	<u>11,966</u>
	<u>214,300</u>	<u>271,854</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 651,663</u>	<u>\$ 463,178</u>

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>2021</u>	<u>2020</u>
Charlotte Rails - Trails	<u>\$ 77,523</u>	<u>\$ 93,340</u>

GREENWAYS FOR NASHVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Grants and contributions restricted for specific purposes:		
440/Browns Creek Greenway	\$ 116,349	\$ 116,349
Charlotte Rails - Trails Greenway	8,751	71,555
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	11,359	11,484
Other	<u>25,646</u>	<u>20,645</u>
	<u>\$ 201,960</u>	<u>\$ 259,888</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.

GREENWAYS FOR NASHVILLE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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 April 2020, 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 November 25, 2020, the full principal balance of \$30,050 has been forgiven by the Small Business Administration. As such, Greenways recognized this amount as other income during the year ended June 30, 2021.

On December 27, 2020 the Coronavirus Response and Relief Supplemental Appropriations Act continued the Paycheck Protection Program with the same terms as above. Greenways entered into a second loan of \$30,050 in January 2021 which by letter dated October 22, 2021, the full principal balance of \$30,050 was forgiven by the Small Business Administration. As such, Greenways will recognize this amount as other income during the year ended June 30, 2022.

NOTE 7 - COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries including the geographical area in which Greenways operates. While it is unknown how long these conditions will last and what the complete financial effect will be to Greenways, management is continuing to evaluate the evolving situation and will implement appropriate countermeasures as needed.